

SIMPSON THACHER & BARTLETT

A PARTNERSHIP WHICH INCLUDES PROFESSIONAL CORPORATIONS

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16825

LONDON

COLUMBUS

FEDERAL EXPRESS

April 2, 1990

APR 3 1990 1:35 PM  
INTERSTATE COMMERCE COMMISSION

Re: Perfection of Barclays Bank PLC's  
Security Interest in Hutchinson & Northern  
Railway Company's Rolling Stock

Interstate Commerce Commission  
Twelfth and Constitution Avenue Northwest  
Washington, D.C. 20423  
Attention: Mildred Lee - Room 2303

APR 3 1990 1:35 PM

INTERSTATE COMMERCE COMMISSION

Gentlemen:

Enclosed please find:

- a) Two copies of the Hutchinson & Northern Railway Company Security Agreement made by the Hutchinson and Northern Railway Company, a Kansas Corporation, in favor of Barclays Bank PLC. as U.S. Collateral Agent and Intercreditor Agent.
- b) A description of the Rolling Stock; and
- c) A money order for the \$15 filing fee.

Please record the enclosed documents to effectuate a perfection of Barclays Bank PLC's Security Interest in the Rolling Stock owned by the Hutchinson & Northern Railway Company.

If there are any problems, please call me at (212) 455-7073. Thank you.

Very truly yours,

*Robin F. Grant*  
Robin F. Grant

Enclosures

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Washington, D.C. 20423  
Attention: Mildred Lee - Room 2303

APR 3 1990 - 1 25 PM

INTERSTATE COMMERCE COMMISSION

Gentlemen:

Enclosed please find:

a) Two copies of the Hutchinson & Northern Railway Company Security Agreement made by the Hutchinson and Northern Railway Company a Kansas Corporation, 1800 Carey Blvd. Hutchinson, Kansas 67501, in favor of Barclays Bank PLC., 75 Wall Street, New York, New York 10265. *including a Master Agreement*

b) A description of the Rolling Stock owned by the Hutchinson and Northern Railway Company; and

c) A money order for the \$15 filing fee.

Please record the enclosed documents to effectuate a perfection of Barclays Bank PLC's Security Interest in the Rolling Stock owned by the Hutchinson & Northern Railway Company.

If you have any questions, please call me at the above number. Thank you.

Very truly yours,

*Robin F. Grant*  
Robin F. Grant

Enclosures

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NEW YORK, N.Y. 10017-3909  
(212) 455-2000

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232622

RECORDATION NO. 16825A FILED 1425

APR 3 1990 - 1:25 PM

INTERSTATE COMMERCE COMMISSION

LONDON  
COLUMBUS

WRITER'S DIRECT DIAL NUMBER

(212) 455-7073

*Perk  
Don Julo*

FEDERAL EXPRESS

June 28, 1990

Re: Hutchinson and Northern Railway Company's  
Rolling Stock Interstate Commerce  
Commission Filing

Mildred Lee, Esq.  
Interstate Commerce Commission  
Twelfth and Constitution Ave., N.W.  
Washington, D.C. 20423

Dear Mildred:

Enclosed please find the Master Agreement Exhibits  
requested for completion of the ICC Filing filed April 3, 1990,  
recordation number 16825.

If you have any questions, please call me at the above  
number.

Thank you for all your help.

Very truly yours,

*Robin F. Grant*

Robin F. Grant

Enclosures

**MASTER AGREEMENT**

among

**AMERICAN SALT COMPANY**

and

**855715 ONTARIO LIMITED**  
**(to be renamed SIFTO CANADA INC.)**

and

**NORTH AMERICAN SALT COMPANY**

and

**THE SUBSIDIARY GUARANTORS**

and

**THE AMERICAN SALT LENDERS**

and

**THE SIFTO SALT LENDERS**

and

**THE CREDIT AGENTS**

and

**THE ISSUING BANKS**

and

**THE SENIOR NOTE HOLDERS**

and

**THE INTEREST PROTECTION PARTIES**

and

**THE COLLATERAL AGENTS**

and

**THE INTERCREDITOR AGENT**

**Dated as of March 28, 1990**

*44*  
RECORDATION NO. *16825* A  
*APR 3* 1990 - 1:25 PM  
INTERSTATE COMMERCE COMMISSION

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## EXHIBITS

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EXHIBIT Q	Master Agreement Joinder

MASTER AGREEMENT, dated as of March 28, 1990,  
among:

- (i) American Salt Company, a Delaware corporation ("American Salt");
- (ii) 855715 Ontario Limited (to be renamed Sifto Canada Inc.), an Ontario corporation ("Sifto Salt");
- (iii) Carey Salt Holdings, Inc. (to be renamed North American Salt Company), a Delaware corporation ("North American Salt");
- (iv) the Subsidiary Guarantors (as defined in Schedule X to this Master Agreement);
- (v) the American Salt Lenders (as so defined);
- (vi) the Sifto Salt Lenders (as so defined);
- (vii) the Credit Agents (as so defined);
- (viii) the Issuing Banks (as so defined);
- (ix) the Senior Note Holders (as so defined);
- (x) the Interest Protection Parties (as so defined);
- (xi) the Collateral Agents (as so defined); and
- (xii) the Intercreditor Agent (as so defined).

W I T N E S S E T H :

WHEREAS, pursuant to the U.S. North Asset Purchase Agreement, dated September 26, 1989, between the Seller (as defined in Schedule X to this Master Agreement, certain capitalized terms being used herein as defined in said Schedule X) and Sifto Acquisition Inc., a Delaware corporation and a wholly owned subsidiary of North American Salt ("Sifto Acquisition"), the Seller has agreed to sell certain of the assets of its Sifto Salt Division located in the United States to Sifto Acquisition;

WHEREAS, Sifto Acquisition has assigned all of its rights, interests and obligations in, to and under the Louisiana Purchase Agreement to Sifto Louisiana;

WHEREAS, pursuant to the Canadian Asset Purchase Agreement, dated September 26, 1989, between the Seller and Sifto Salt, all of the capital stock of which is owned by Sifto Acquisition the Seller has agreed to sell the assets of its Sifto Salt Division located in Canada to Sifto Salt (the above-referenced acquisitions pursuant to the U.S. North Asset Purchase Agreement and the Canadian Asset Purchase Agreement collectively being referred to as the "Acquisition");

WHEREAS, immediately prior to the closing of the Initial Purchase Agreements, Sifto Acquisition and Carey Salt, Inc., a Delaware corporation and a wholly-owned subsidiary of Carey Salt Holdings, Inc. ("Carey Salt"), will be merged into American Salt, with American Salt surviving;

WHEREAS, on or prior to the closing of the Initial Purchase Agreements, Carey Salt Holdings, Inc. will be renamed North American Salt Company and prior to or promptly following the closing of the Initial Purchase Date, 855715 Ontario Limited will be renamed Sifto Canada Inc.;

WHEREAS, in order to provide a source of funds for the Acquisition, including the payment of certain fees and expenses associated therewith, to refinance certain indebtedness of North American Salt and American Salt, to provide a source of funds for loans to certain members of management of American Salt and Sifto Salt, and to finance the ongoing working capital needs of American Salt and Sifto Salt, (a) American Salt has requested the American Salt Lenders to make the American Salt Loans (other than the American Salt Series B Term Loans) and the American Salt Issuing Bank to provide American Salt Letters of Credit and (b) Sifto Salt has requested the Sifto Salt Lenders to make the Sifto Salt Loans, to accept the Sifto Salt Acceptances, the Sifto Salt Issuing Bank to provide Sifto Salt Letters of Credit and the Senior Note Holders to purchase the Senior Notes;

WHEREAS, Sifto Louisiana may purchase the Louisiana Property after the Closing Date, and American Salt has requested that the American Salt TL Lenders make available the American Salt Series B Term Commitments in order to provide a source of funds for such purchase;

WHEREAS, in order to fund additional working capital needs of American Salt and to provide a further source of funds for the Louisiana Acquisition and other corporate purposes, American Salt has requested that the American Salt RC Lenders increase their aggregate Revolving Credit Commitments under the American Salt Credit Agreement from and after the American Salt Series B Term Loan Closing Date by \$7,000,000; and

WHEREAS, certain provisions applicable to (a) the Loans being made, the Sifto Salt Acceptances being accepted and Letters of Credit being issued under each Credit Agreement, (b) the Senior Notes being purchased under the Senior Note Purchase Agreement, (c) the entering into of Interest Protection Agreements and (d) the holding of Collateral, the giving of Guarantees and the sharing of proceeds of the Collateral and the Guarantees, are being set forth in this Master Agreement;

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained in this Master Agreement and the other Credit Documents, the parties hereto agree as follows:

#### SECTION 1. DEFINITIONS

1.1 Defined Terms. The capitalized terms used herein which are defined in, or by reference in, Schedule X shall have the meanings specified therein.

1.2 Other Definitional Provisions. (a) Terms defined in Schedule X shall have their defined meanings when used in the Credit Documents or any certificate or other document made or delivered pursuant thereto unless otherwise defined therein.

(b) As used herein and in the other Credit Documents, and any certificate or other document made or delivered pursuant hereto or thereto, accounting terms relating to North American Salt or American Salt and its Subsidiaries not defined in Schedule X and accounting terms partly defined in Schedule X, to the extent not defined, shall have the respective meanings given to them under GAAP.

(c) The words "hereof", "herein" and "hereunder" and words of similar import when used in this Master Agreement shall refer to this Master Agreement as a whole and not to any particular provision of this Master Agreement, and section, subsection, schedule and exhibit references are to this Master Agreement unless otherwise specified.

(d) The meanings given to terms defined herein shall be equally applicable to both the singular and plural forms of such terms.

## SECTION 2. MAKING OF THE LOANS AND PURCHASE OF THE SENIOR NOTES

2.1 Closing. On the Closing Date, in reliance upon the representations and warranties set forth in Section 3 and subject to the satisfaction or waiver of the conditions precedent set forth in Section 4 and subject to the terms of the Escrow Agreement:

(a) the American Salt Lenders shall make the Initial American Salt Loans to American Salt, and the American Salt Issuing Bank shall issue any American Salt Letters of Credit requested to be issued on such date;

(b) the Sifto Salt Lenders shall make the initial Sifto Salt Loans to Sifto Salt and accept any Sifto Salt Acceptances requested to be accepted on such date, and the Sifto Salt Issuing Bank shall issue any Letters of Credit requested to be issued on such date; and

(c) the Senior Note Holders shall purchase the Senior Notes from Sifto Salt on such date.

2.2 Time and Place of Initial Closing. The closing of the making of the Initial Loans and the purchase of the Senior Notes shall take place at 10:00 a.m., New York City time, on the Closing Date, at the offices of Simpson Thacher & Bartlett, 425 Lexington Avenue, New York, New York 10017. The funding of the Initial Loans and of the purchase of the Senior Notes will be made in accordance with the Escrow Agreement.

## SECTION 3. REPRESENTATIONS AND WARRANTIES

To induce the Lenders to enter into this Master Agreement and the Credit Agreements to which they are party and to make the Loans, to induce the Sifto Salt Lenders to accept the Sifto Salt Acceptances, to induce the Issuing Banks to enter into this Master Agreement and the Credit Agreements to which they are party and to issue the Letters of Credit and to induce the Senior Note Holders to enter into this Master Agreement and the Senior Note Purchase Agreement and to purchase the Senior Notes, each Credit Party hereby represents and warrants to the Agents, to the Issuing Banks, to each Lender and to each Senior Note Holder that (each of the following representations being made both before and after giving effect to the Acquisition and before and after giving effect to the Louisiana Acquisition):

3.1 Financial Condition. (a) The consolidated balance sheet of North American Salt and its consolidated Subsidiaries as at March 25, 1989 and the balance sheet of American Salt as at March 26, 1988, and in the case of the

consolidated balance sheet of North American Salt and its Subsidiaries, the related consolidated statements of income and retained earnings and changes in financial position for the fiscal year ended on such date, reported on by Coopers and Lybrand, copies of which have heretofore been furnished to each Lender and to each Senior Note Holder, are complete and correct and present fairly the consolidated financial condition of North American Salt and its consolidated Subsidiaries and American Salt respectively, as at such dates, and, in the case of North American Salt and its consolidated Subsidiaries, the consolidated results of their operations and changes in financial position for the fiscal year then ended. The unaudited consolidated balance sheet of North American Salt and its consolidated Subsidiaries as at December 30, 1989 and the related unaudited consolidated statements of income and retained earnings and changes in financial position for the forty-week period ended on such date, certified by a Responsible Officer of North American Salt, copies of which have heretofore been furnished to each Lender and to each Senior Note Holder, are complete and correct and present fairly the consolidated financial condition of North American Salt and its consolidated Subsidiaries as at such date, and the consolidated results of their operations and changes in financial position for the forty-week period then ended (subject to normal year-end audit adjustments). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP applied consistently throughout the periods involved (except as approved by such accountants or Responsible Officer, as the case may be, and as disclosed therein). Neither North American Salt nor any of its consolidated Subsidiaries had, at the date of the most recent balance sheet referred to above, any material Guarantee Obligation, contingent liability or liability for taxes, or any long-term lease or unusual forward or long-term commitment, including, without limitation, any interest rate or foreign currency swap or exchange transaction, which is not reflected in the foregoing statements or in the notes thereto or otherwise disclosed on Schedule 1. During the period from December 30, 1989 to and including the Closing Date, there has not been (nor will there have been) any sale, transfer or other disposition by North American Salt or any of its consolidated Subsidiaries of any material part of its business or property and there has been no purchase or agreement to purchase (other than the Purchase Agreements) or other acquisition of any business or property (including any capital stock of any other Person) material in relation to the financial condition of North American Salt and its consolidated Subsidiaries at December 30, 1989 (other than the Acquisition).

(b) The pro forma consolidated balance sheets of each of North American Salt and of American Salt as of December 30, 1989, copies of which have been delivered to



each Lender and to each Senior Note Holder, are the unaudited consolidated balance sheets of North American Salt and its consolidated Subsidiaries and American Salt and its consolidated Subsidiaries, respectively, as of such date, adjusted to give effect (as if such events had occurred on such date) to (i) the Loans, (ii) the capital contributions referred to in subsection 4.1(1), (iii) the issuance of the Senior Notes and the Subordinated Notes, (iv) the application of the proceeds of the foregoing as contemplated by the Purchase Agreements, the Credit Documents and the Capitalization Documents and (v) the payment of all fees and expenses related to the foregoing transactions to the extent known at the Closing Date. Such pro forma consolidated balance sheets present fairly, on a pro forma basis, the consolidated financial position of North American Salt and its consolidated Subsidiaries and American Salt and its consolidated Subsidiaries, respectively, as of December 30, 1989, assuming that the events specified in the preceding sentence had actually occurred or are true, as the case may be, on such date, and have been prepared in accordance with GAAP applied on a consistent basis.

3.2 No Change. (a) Since March 25, 1989, there has been no material adverse change in the business, operations, property, or financial or other condition of North American Salt and its Subsidiaries taken as a whole or, prior to the Closing Date, of the Sifto Salt Division.

(b) Since the Closing Date, there has been no material adverse change in the business, operations, property, or financial or other condition of American Salt and its Subsidiaries taken as a whole or (solely as of the American Salt Series B Term Loan Closing Date) of the Louisiana Property.

3.3 Corporate Existence; Compliance with Law. Each of the Transaction Parties (a) is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation, (b) has the corporate power and authority, and except where the absence thereof would not have a material adverse effect on the business, operations, property or financial or other condition of American Salt and its Subsidiaries taken as a whole or a material adverse effect on the ability of any Credit Party to perform its obligations under any Credit Document to which it is a party after giving effect to the performance of each other Credit Party under the Credit Documents or on the rights and remedies of the Secured Parties under the Credit Documents, the legal right, to own and operate its property, to lease the property it operates as lessee and to conduct the business in which it is currently engaged, (c) is duly qualified as a foreign corporation and in good standing under the laws of each jurisdiction where its ownership, lease or operation of property or the conduct of its business requires

such qualification, except where the failure to so qualify would not have a material adverse effect on the ability of any Credit Party to perform its obligations under any Credit Document to which it is a party after giving effect to the performance of each other Credit Party under the Credit Documents or on the business, operations, property or financial or other condition of American Salt and its Subsidiaries taken as a whole or a material adverse effect on the rights and remedies of the Secured Parties under the Credit Documents, and (d) is in compliance with all Requirements of Law (including, without limitation, section 5 of the Securities Act of 1933, as amended, and Regulations G, T, U or X of the Board of Governors of the Federal Reserve System) except to the extent that the failure to comply therewith could not, in the aggregate, have a material adverse effect on the business, operations, property or financial or other condition of American Salt and its Subsidiaries taken as a whole and could not materially adversely affect the ability of any Transaction Party to perform its obligations under the Transaction Documents to which it is a party after giving effect to the performance of each other Transaction Party under the Transaction Documents and could not have a material adverse effect on the rights and remedies of the Secured Parties under the Transaction Documents.

3.4 Corporate Power; Authorization; Enforceable Obligations. (a) Each of the Transaction Parties has the corporate power and authority, and the legal right, to execute, deliver and perform the Transaction Documents to which it is a party. Each of the Borrowers has the corporate power and authority to borrow under its respective Credit Agreement and, in the case of Sifto Salt, to issue and sell the Senior Notes pursuant to the Senior Note Purchase Agreement and has taken all necessary corporate action to authorize the borrowings on the terms and conditions of its respective Credit Agreement, and Notes and, in the case of Sifto Salt, to authorize the issuance and sale of the Senior Notes on the terms and conditions of the Senior Note Purchase Agreement, and each Credit Party to a Security Document has the corporate power and authority to grant the Liens created pursuant to the Security Documents to which it is a party and has taken all necessary corporate action to authorize the granting of such Liens. Each Transaction Party has taken all necessary corporate action to authorize the execution, delivery and performance of the Transaction Documents to which it is a party.

(b) No consent or authorization of, filing with or other act by or in respect of any Governmental Authority is required in connection with, and all applicable waiting periods in respect of all applicable Requirements of Law have expired in order to permit, (i) (A) the execution, delivery and performance by each of Sifto Acquisition and Sifto Salt

of the Initial Purchase Agreements to which it is party and (B) from and after the American Salt Series B Term Loan Closing Date, the execution, delivery and performance by Sifto Louisiana of the Louisiana Purchase Agreement (ii) the execution, delivery and performance by each of Sifto Acquisition and Sifto Louisiana of the Assignment Agreement and the performance by American Salt of the U.S. North Asset Purchase Agreement as thereby assigned, (iii) (A) the execution, delivery and performance by each of Carey Salt and American Salt of the Carey Merger Agreement, (B) the execution, delivery and performance by each of Sifto Acquisition and American Salt of a merger agreement (including all amendments thereto, the "Sifto Merger Agreement") and (C) the execution, delivery and performance by each of NAMSCO Recapitalization Corp., a Delaware corporation, and North American Salt of the merger agreement substantially in the form of Exhibit A to the Stockholders Agreement, dated as of March 28, 1990, among North American Salt and the holders of capital stock of North American Salt, each in form and substance reasonably satisfactory to the Credit Agents and each Senior Note Holder, (iv) the borrowings under its respective Credit Agreement by each Borrower, (v) in the case of Sifto Salt, the issuance or sale of the Senior Notes under the Senior Note Purchase Agreement, and (vi) the execution, delivery and performance of the Credit Documents or the creation or perfection of the Liens under the Security Documents, except for consents, authorizations and filings (A) which have been obtained or made, as the case may be, are in full force and effect and are referred to on Schedules 7 and 8, or (B) where the failure of which to obtain or make, individually or in the aggregate, would not (x) have a material adverse effect on the business, operations, property or financial or other condition of American Salt and its Subsidiaries taken as a whole, (y) materially adversely affect the ability of any Transaction Party to perform its obligations under any of the Transaction Documents to which it is a party after giving effect to the performance of each other Transaction Party under the Transaction Documents or (z) have a material adverse effect on the rights and remedies of the Secured Parties under the Credit Documents.

(c) This Master Agreement has been, and each other Transaction Document to which it is a party has been or will be, duly executed and delivered on behalf of each Transaction Party thereto. This Master Agreement constitutes, and each other Transaction Document to which it is a party constitutes or when executed and delivered will constitute, a legal, valid and binding obligation of each Transaction Party thereto enforceable against such Transaction Party in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable

principles (whether enforcement is sought by proceedings in equity or at law).

3.5 No Legal Bar. The execution, delivery and performance of the Transaction Documents to which each Transaction Party is a party, the borrowings by the Borrowers under its respective Credit Agreement and, in the case of Sifto Salt, the issuance and sale of the Senior Notes under the Senior Note Purchase Agreement, and the use of the proceeds thereof and the granting of the Liens pursuant to the Security Documents, will not violate any Requirement of Law or any Contractual Obligation of such Transaction Party and will not result in, or require, the creation or imposition of any Lien on any of its properties or revenues pursuant to any Requirement of Law or Contractual Obligation (other than the Liens created by the Credit Documents or contemplated hereby).

3.6 No Material Litigation. No litigation, investigation or proceeding of or before any arbitrator or Governmental Authority is pending or, to the knowledge of any Transaction Party, threatened by or against any Transaction Party or against any of its properties or revenues (other than the review of the Louisiana Acquisition and matters relating thereto by the U.S. Department of Justice prior to the American Series B Term Loan Closing Date and as contemplated by the letter of the U.S. Department of Justice dated March 9, 1990 concerning the review of the acquisition of Carey Salt and matters related thereto) (a) with respect to any of the Transaction Documents or any of the transactions contemplated hereby or thereby, or (b) which (i) would reasonably be likely to have a material adverse effect on the business, operations, property, or financial or other condition of American Salt and its Subsidiaries taken as a whole, (ii) would reasonably be likely to materially adversely affect the ability of any such Transaction Party to perform its obligations under any of the Transaction Documents after giving effect to the performance of each other Transaction Party under the Transaction Documents or (iii) would have a material adverse effect on the rights and remedies of the Secured Parties under the Credit Documents.

3.7 No Default. Except as disclosed on Schedule 2, no Transaction Party is in default under or with respect to any Contractual Obligation in any respect which could be materially adverse to the business, operations, property or financial or other condition of American Salt and its Subsidiaries taken as a whole or which could materially adversely affect the ability of such Transaction Party to perform its obligations under the Transaction Documents to which it is a party. No Default or Event of Default has occurred and is continuing.

3.8 Ownership of Property; Liens. Schedule 3 is, as of the Closing Date, together with the Louisiana Real Property Schedule, as of the American Salt Series B Term Loan Closing Date, a complete and accurate list of all real property owned or leased by the Credit Parties and a complete and accurate list of all such properties on which the Collateral Agents will receive a mortgage or deed of trust. Except as set forth on Schedule 3, or the Louisiana Real Property Schedule, as the case may be, each of the Credit Parties enjoys peaceful and undisturbed possession under all leases to which any of them is a party or under which any of them is operating and which either are listed on Schedule 3 or the Louisiana Real Property Schedule, as the case may be, as to be mortgaged or are not material, individually or in the aggregate, to the conduct of their businesses, taken as a whole. Except as set forth on Schedule 3, or the Louisiana Real Property Schedule, as the case may be, all of such leases are valid and subsisting and no default by any Credit Party exists under any of them that, individually or in the aggregate, could reasonably be expected to have a material adverse effect on the business, operations, property, or financial or other condition of American Salt and its Subsidiaries taken as a whole.

3.9 Intellectual Property. Each of the Transaction Parties owns, or is licensed to use, all trademarks, tradenames, copyrights, technology, know-how and processes necessary for the conduct of its business as currently conducted that are material to its condition (financial or other), business, or operations ("Intellectual Property"). No claim has been asserted and is pending by any Person with respect to the use of any such Intellectual Property, or challenging or questioning the validity or effectiveness of any such Intellectual Property and no Transaction Party knows of any valid basis for any such claim. The use of such Intellectual Property by any of the Transaction Parties does not infringe on the rights of any Person, subject to such claims and infringements as do not, in the aggregate, give rise to any liability on the part of any Transaction Party that is material to any Transaction Party.

3.10 Representations and Warranties Contained in the Purchase Agreements. Each of the Lenders, each Senior Note Holder and each of the Credit Agents has received a complete copy of the Purchase Agreements and all amendments and waivers related thereto. Each Purchase Agreement has been duly executed and delivered by the parties thereto and is in full force and effect. The representations and warranties of the parties to each Purchase Agreement will each be true and correct in all material respects on the Closing Date (after giving effect to the Closing Certificates to be delivered pursuant to the Purchase Agreements) as if made on and as of such date.

3.11 Solvency. With respect to each Credit Party, on the Closing Date and after giving effect to the borrowings under the Credit Agreements and the issuance and sale of the Senior Notes under the Senior Note Purchase Agreement on such date and to all other Indebtedness and Guarantee Obligations being incurred on such date in connection therewith, (a) the sum of the property, at the fair valuation, of such Credit Party will, as of such date, exceed such Credit Party's debts, (b) the present fair saleable value of the assets of such Credit Party will, as of such date, be greater than the amount that will be required to pay such Credit Party's liability on its debts as such debts become absolute and matured, and (c) such Credit Party will have, as of such date, sufficient capital with which to conduct its business. For purposes of this subsection, "debt" means "liability on a claim" and "claim" means any (i) right to payment, whether or not such a right is reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured or (ii) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgement, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured.

3.12 No Burdensome Restrictions. No Contractual Obligation of any Transaction Party and no Requirement of Law materially adversely affects, or insofar as any Transaction Party could reasonably foresee may so affect, the business, operations, property, or financial or other condition of American Salt and its Subsidiaries taken as a whole.

3.13 Taxes. Each Transaction Party has filed or caused to be filed all material tax returns which to the knowledge of each such Transaction Party (after due and reasonable inquiry) are required to be filed and has paid all taxes shown to be due and payable on said returns or on any assessments made against it or any of its property and all other taxes, fees or other charges imposed on it or any of its property by any Governmental Authority (other than any taxes, fees or other charges (a) the amount or validity of which are currently being contested in good faith by appropriate proceedings and with respect to which reserves in conformity with GAAP have been provided on the books of such Transaction Party or (b) the failure of which to pay would not have a material adverse effect on the business, operations, property or financial or other condition of American Salt and its Subsidiaries taken as a whole); and no tax lien has been filed and, to the knowledge of each Transaction Party, no claim is being asserted with respect to any such tax, fee or other charge.

3.14 Federal Regulations. No part of the proceeds of any Loans under either of the Credit Agreements or the proceeds of the issuance of the Senior Notes under the Senior Note Purchase Agreement will be used for "purchasing" or "carrying" any "margin stock" within the respective meanings of each of the quoted terms under Regulations G or U of the Board of Governors of the Federal Reserve System as now and from time to time hereafter in effect or for any purpose which violates the provisions of the regulations of such Board of Governors. If requested by any American Salt Lender, the American Salt Agent or any Senior Note Holder, American Salt will furnish to the American Salt Agent, each Lender and each Senior Note Holder a statement to the foregoing effect in conformity with the requirements of FR Form U-1 referred to in said Regulation U.

3.15 Employee Benefits. (a) Prohibited Transactions. Neither a Credit Party nor any Commonly Controlled Entity has engaged in a transaction which could be subject to a material liability for either a civil penalty assessed pursuant to Section 502(i) of ERISA or a tax imposed by Section 4975 of the Code.

(b) Plan Termination; Material Liabilities. There has been no termination of a Plan or trust created under any Plan that would give rise to a material liability to the PBGC on the part of a Credit Party or a Commonly Controlled Entity. No material liability to the PBGC has been or is expected to be incurred with respect to any Plan by a Credit Party or a Commonly Controlled Entity. The PBGC has not instituted proceedings to terminate any Plan which is maintained or is to be maintained by a Credit Party or a Commonly Controlled Entity, or with respect to which a Credit Party or a Commonly Controlled Entity will have liabilities. There exists no condition or set of circumstances which presents a material risk of termination or partial termination of any Plan by the PBGC. No Credit Party nor any Commonly Controlled Entity has had or expects to have a complete or partial withdrawal from any Multiemployer Plan and the liability to which any Credit Party or any Commonly Controlled Entity would become subject under ERISA if such Credit Party or any such Commonly Controlled Entity were to withdraw completely from all Multiemployer Plans as of the valuation date most closely preceding the date hereof is not in excess of \$0. No such Multiemployer Plan is in Reorganization or Insolvent nor to the best knowledge of any Credit Party is any such Reorganization or Insolvency likely to occur. Each Credit Party and each Commonly Controlled Entity have paid all premiums to the PBGC when due.

(c) Accumulated Funding Deficiency. Full payment has been made of all amounts which are required to be paid as contributions prior to the date of this Master Agreement under the Code and under the terms of each Plan maintained by

a Credit Party or a Code Affiliate, and no accumulated funding deficiency (as defined in Section 302 of ERISA and Section 412 of the Code), whether or not waived, exists with respect to any such Plan or plan.

(d) Other Benefit Representations. The current value of the benefit liabilities under each Single Employer Plan does not exceed the fair market value of the assets of such Plans (as defined in Section 4001(a) of ERISA). No Credit Party nor any Code Affiliate is required to provide security to a Plan or an employee pension benefit plan maintained by a Code Affiliate under Section 401(a)(29) of the Code. No lien under Section 412(n) of the Code or Sections 312(f) or 4068 of ERISA has been or is expected to be imposed on the assets of a Credit Party or a Commonly Controlled Entity. Neither a Credit Party, nor any Code Affiliate has any material liability under Section 4980B of the Code. No Credit Party has any material liability under the Worker Adjustment and Retraining Notification Act. No Credit Party nor any Commonly Controlled Entity currently provides, or has incurred any obligation to provide, employer-paid post retirement medical benefits to any of their current or former employees or their beneficiaries. All Plans which are intended to be "qualified" are "qualified" under Section 401(a) of the Code. All employee benefit plans (as defined in Section 3(3) of ERISA) maintained by a Credit Party or a Commonly Controlled Entity have complied in all material respects with ERISA and the applicable provisions of the Code.

(e) Sifto Salt Benefit Plans. There are no liabilities in excess of \$400,000 under any pension plan of Sifto Salt which are not fully funded on both an ongoing and solvency basis in accordance with the terms of any such plan, regulatory requirements as outlined under the Pension Benefits Act, 1987 (Ontario) and any other applicable legislation, administrative requirements of the Pension Commission of Ontario and generally accepted actuarial principles. All such plans are registered (or will be registered) under and in compliance with the Income Tax Act (Canada), the Pension Benefits Act, 1987 (Ontario) and any other applicable legislation, all returns and filings required to be made thereunder have been made (or will be made) and there has been no withdrawal of surplus or other funds from any such plan or plans by any person except for payments made to departing employees. Sifto Salt does not currently provide, and has not incurred any obligation to provide, employer-paid post retirement medical benefits to current or former employees of Sifto Salt or their beneficiaries.

3.16 Regulation H. No Security Document encumbers improved real property which is located in an area that has been identified by the Secretary of Housing and Urban



Development as an area having special flood hazards and in which flood insurance has been made available under the National Flood Insurance Act of 1968, and in the case of real property situated in Canada, no Security Document encumbers real property that is in a flood control or flood hazard area (a) in a manner which involves a material violation of law relating thereto and (b) unless adequate flood insurance has been obtained on such real property.

### 3.17 Investment Company Act; Other Regulations.

No Credit Party is an "investment company", or a company "controlled" by an "investment company", within the meaning of the Investment Company Act of 1940, as amended. No Credit Party is subject to regulation under any U.S. or Canadian federal or U.S. state or Canadian provincial statute or regulation which limits its ability to incur Indebtedness or Guarantee Obligations. No Credit Party is a "holding company" or a "public utility company" as such terms are defined in the Public Utility Holding Company Act of 1935, as amended.

3.18 Subsidiaries. (a) The following constitute all the Subsidiaries of North American Salt: American Salt and Harris Acquisition Corp., a Delaware corporation and wholly-owned subsidiary of North American Salt ("Harris Acquisition"). All the issued and outstanding Capital Stock of American Salt and Harris Acquisition is owned by North American Salt, legally and beneficially.

(b) The following constitute all the Subsidiaries of American Salt: (i) Lake Crystal Salt, (ii) Hutchinson and Northern, (iii) Sifto Salt, (iv) Sifto Louisiana and (v) from and after the Closing Date, any other Subsidiary Guarantor. All the issued and outstanding shares of Capital Stock of each of Lake Crystal Salt, Hutchinson and Northern, Sifto Salt, Sifto Louisiana and, from and after the Closing Date, any other Subsidiary Guarantor, is owned by American Salt, legally and beneficially.

(c) Sifto Salt has no Subsidiaries.

(d) The representations and warranties set forth in this subsection 3.18 are limited to the period after the Acquisition has become effective.

### 3.19 Accuracy and Completeness of Information.

All information, reports and other papers and data with respect to the Transaction Parties (other than projections), including, without limitation, the Information Memorandum, furnished to the Lenders and the Senior Note Holders by the Transaction Parties, or on behalf of the Transaction Parties, were, at the time the same were so furnished, complete and correct in all material respects, or have been subsequently supplemented by other information, reports or other papers or

data, to the extent necessary to give the Lenders and the Senior Note Holders a true and accurate knowledge of the subject matter in all material respects. All projections with respect to the Transaction Parties, so furnished by or on behalf of the Transaction Parties, as supplemented, were prepared and presented in good faith by or on behalf of the Transaction Parties, it being recognized by the Lenders and the Senior Note Holders that such projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by any such projections may differ from the projected results. At the Closing Date, no fact is known to any Transaction Party which materially and adversely affects or in the future may (so far as any of them can reasonably foresee) materially and adversely affect the business, operations, property or financial or other condition, of American Salt and its Subsidiaries taken as a whole, which has not been set forth in the financial statements referred to in subsection 3.1 or in such information, reports, papers and data or otherwise disclosed in writing to the Lenders and the Senior Note Holders prior to the Closing Date. No document furnished or statement made in writing to the Lenders or the Senior Note Holders by any Transaction Party in connection with the negotiation, preparation or execution of this Master Agreement or the other Transaction Documents contains any untrue statement of a material fact which has not been corrected, supplemented or remedied by subsequent documents furnished or statements made in writing to the Lenders and the Senior Note Holders prior to the Closing Date.

3.20 Allocation of Purchase Price. The allocation of the Purchase Price (as defined in the Purchase Agreements) set forth in Exhibit A to each Purchase Agreement is or will be the result of arms length negotiation among the parties to such Purchase Agreement and, in the reasonable business judgment of the Purchaser party thereto, reflects or will reflect, as of the Closing Date, the fair market value of the categories of assets described therein; provided, however, in the event the parties to such Purchase Agreements do not agree on a Purchase Price allocation, the allocation set forth in Exhibit A will reflect the fair market value of the categories of assets described in the Purchase Agreements, calculated in accordance with GAAP.

3.21 Environmental. Except as disclosed on Schedule 4, each Credit Party and Subsidiary thereof and their respective tenants, is in compliance with, has not violated, has not done or suffered any act which could give rise to liability under, and is not otherwise exposed to any liability under, any Requirements of Environmental Law. Except as disclosed in Schedule 4, no Credit Party or Subsidiary thereof nor their respective tenants has received notice, claim, demand, suit, or request for information of any kind from any governmental or private entity of any

failure or alleged failure to comply with, or any liability or alleged liability under, any Requirement of Environmental Law; nor to the best knowledge of any Credit Party or Subsidiary thereof has any other entity whose liability therefor, in whole or in part, may be attributed to any Credit Party or Subsidiary thereof, received such notice, claim, demand, suit, or request for information. Except as disclosed in Schedule 4, no Credit Party or Subsidiary thereof (i) has submitted notice pursuant to Section 103 of CERCLA with respect to its facilities, properties, lands or operations, or notified any governmental entity under any other Requirement of Environmental Law regarding the presence or suspected presence at, on, above, beneath, near, or within its property or the release by it in any way of any substance which may require treatment or remediation of any kind under any Requirement of Environmental Law; or (ii) has any property previously used for the disposal of waste pursuant to Section 45 of the Environmental Protection Act (Ontario) or similar Requirement of Law. Except as disclosed in Schedule 4, there exists no substance at, on, above, beneath, near, or within any facilities, properties previously used for the disposal of waste, or lands owned or operated by any Credit Party or Subsidiary thereof or any entity whose liability in whole or in part may be attributed to any Credit Party or Subsidiary thereof the investigation, clean-up, removal, or remediation of which may be required under any Requirement of Environmental Law. Except as disclosed in Schedule 4, no Credit Party or Subsidiary thereof is subject to agreements, consent orders, licenses, permits, or other final orders or directives of any applicable federal, state, provincial, or local court, authority, person, or governmental agency which relate to or have arisen from any Requirement of Environmental Law, including without limitation any such items that require payment of damages or fines, or any removal or remedial work, repairs, construction, containment, clean-up, investigation, testing, study, inspection, modification to day-to-day operations, or similar action.

3.22 Purpose of Funds. The proceeds of the Loans (other than the American Salt Series B Term Loans) and the proceeds of the issuance and sale of the Senior Notes shall be used by the Borrowers to finance the Acquisition, to refinance certain existing Indebtedness of the Borrowers, to make loans to certain members of management of American Salt and Sifto Salt and for general corporate purposes in the ordinary course of business, and the proceeds of the American Salt Series B Term Loans, if and when advanced, together with a portion of the proceeds of the Revolving Credit Loans, shall be used by American Salt to finance the Louisiana Acquisition, provided, however, that no proceeds from the sale of the Senior Notes to First Plaza Group Trust shall be used to refinance existing Indebtedness.

3.23 Offering of Securities. No Credit Party nor any agent acting on its behalf, has, directly or indirectly, offered the Senior Notes (including the Guarantees thereof) or the Subordinated Notes (including the Guarantees thereof) or the PIK Preferred Stock or the Capital Stock of North American Salt or any similar securities of Sifto Salt for sale to, or solicited any offers to buy the Senior Notes, Subordinated Notes, the Capital Stock of North American Salt or any similar securities of any Credit Party from, or otherwise approached or negotiated with respect thereto with, any Person other than the purchasers of the Senior Notes, Subordinated Notes and the Capital Stock of North American Salt and not more than ten other "accredited investors" (as defined in Regulation D under the Securities Act of 1933, as amended) each of which was offered the Senior Notes for purposes of investment and not for distribution, and no Credit Party, nor any agent acting on their behalf has taken any action which would subject the issuance or sale of the Senior Notes (including the Guarantees thereof), Subordinated Notes or the Capital Stock of North American Salt to the provisions of section 5 of the Securities Act of 1933, as amended, or to registration, prospectus or qualification provisions of any securities or Blue Sky laws of any applicable jurisdiction.

3.24 Broker's or Finder's Commissions. No broker's or finder's fee or commission will be payable by North American Salt, American Salt or Sifto Salt with respect to the issuance and sale of the Senior Notes or the transactions contemplated hereby or under the Credit Documents, except for fees paid to Chase Manhattan Bank, N.A. in connection with the Acquisition. Each of North American Salt, American Salt and Sifto Salt agree that they will, jointly and severally, hold the Senior Note Holders and the Lenders harmless from any claim, demand or liability for broker's or finder's fees or commissions alleged to have been incurred in connection with the issuance and sale of the Senior Notes or the transactions contemplated hereby or under the Credit Documents.

3.25 Transaction Costs. A schedule of substantially all transaction costs relating to the Acquisition, the entering into of the Transaction Documents, the making of the Loans, the issuance and sale of the Senior Notes, the Subordinated Notes and the Capital Stock of North American Salt and the granting of Liens on the Collateral, including, without limitation, all investment banking, commitment and attorneys' fees relating thereto (based on a reasonable estimate for any costs or expenses not invoiced as of the date hereof) is set forth on Schedule 5.

3.26 Security Documents. The provisions of each Security Document are effective to create in favor of the applicable Collateral Agent for the benefit of the Secured

Parties, a legal, valid and enforceable security interest or mortgage, as the case may be, in all right, title and interest of the Credit Party thereto in any and all of the Collateral described therein, which in the aggregate constitutes substantially all of the property of each of the Credit Parties other than North American Salt. The representations and warranties of the Credit Parties in the Security Documents are true and correct.

#### SECTION 4. CONDITIONS PRECEDENT

4.1 Conditions to Initial Loans and to Sale of Senior Notes. The agreement of each of the American Salt Lenders and the Sifto Salt Lenders to make the Initial Loans requested to be made by it under its respective Credit Agreement on the Closing Date, the agreement of the Sifto Salt Lenders to accept the initial Sifto Salt Acceptances, the agreement of each of the American Salt Issuing Bank and the Sifto Salt Issuing Bank to open its initial Letter of Credit under its respective Credit Agreement and the agreement of each Senior Note Holder to purchase the Senior Notes to be purchased by it under the Senior Note Purchase Agreement are subject to the satisfaction, immediately prior to or concurrently with the making of such Initial Loans, the acceptance of such Sifto Salt Acceptances, the opening of such Letters of Credit and the purchase of such Senior Notes, as the case may be, on the Closing Date, of the following conditions precedent:

(a) Master Agreement. This Master Agreement shall have been executed and delivered by a duly authorized officer of each of North American Salt, the Borrowers, the Subsidiary Guarantors, the Lenders, the Issuing Banks, the Credit Agents, the Senior Note Holders, the Collateral Agents, the Interest Protection Parties (if they shall exist on the Closing Date) and the Intercreditor Agent, with a counterpart for each of the foregoing.

(b) American Salt Credit Agreement. The American Salt Agent shall have received, with a counterpart for each American Salt Lender, and the Sifto Salt Agent and each Senior Note Holder shall have received a copy (certified as true and correct by a Responsible Officer of American Salt) of:

(i) the American Salt Credit Agreement, executed and delivered by a duly authorized officer of each of American Salt, the American Salt Lenders, the American Salt Issuing Bank and the American Salt Agent, which shall be in form and substance satisfactory to the Senior Note Holders; and

(ii) for the account of each American Salt RC Lender, an American Salt Revolving Credit Note and for the account of each American Salt TL Lender, an American Salt Series A Term Note, in each case conforming to the requirements of the American Salt Credit Agreement and executed and delivered by a duly authorized officer of American Salt;

(c) Sifto Salt Credit Agreement. The Sifto Salt Agent shall have received, with a counterpart for each Sifto Salt Lender, and the American Salt Agent and each Senior Note Holder shall have received a copy (certified as true and correct by a Responsible Officer of Sifto Salt) of:

(i) the Sifto Salt Credit Agreement, executed and delivered by a duly authorized officer of each of Sifto Salt, the Sifto Salt Lenders, the Sifto Salt Issuing Bank and the Sifto Salt Agent, which shall be in form and substance satisfactory to the Senior Note Holders; and

(ii) for the account of each Sifto Salt RC Lender, a Sifto Salt U.S. Revolving Credit Note and Canadian Revolving Credit Note and for the account of each Sifto Salt TL Lender, a Sifto Salt Term Note, in each case conforming to the requirements of the Sifto Salt Credit Agreement and executed and delivered by a duly authorized officer of Sifto Salt.

(d) Senior Note Purchase Agreement. Each Senior Note Holder shall have received, and the Credit Agents shall have received a copy for each Lender of:

(i) the Senior Note Purchase Agreement, executed and delivered by a duly authorized officer of Sifto Salt, which shall be in form and substance satisfactory to the Credit Agents; and

(ii) for the account of each Senior Note Holder, a Senior Note in favor of such Senior Note Holder conforming to the requirements of the Senior Note Purchase Agreement and executed and delivered by a duly authorized officer of Sifto Salt.

(e) U.S. Security Documents. The U.S. Collateral Agent shall have received, executed and delivered by a duly authorized officer of each party thereto, with a copy for each Credit Agent, each Lender, each Interest Protection Party and each Senior Note Holder:

(i) the North American Salt Pledge Agreement, together with (A) a stock certificate representing all the Pledged Stock thereunder, which shall consist of 100% of the issued and outstanding shares of Capital Stock of American Salt and Harris Acquisition, (B) an undated stock power for such certificate, duly endorsed in blank, and (C) an acknowledgement of and consent to the North American Pledge Agreement, executed by a duly authorized officer of American Salt and HCC Acquisition;

(ii) the American Salt Pledge Agreement, together with (A) a stock certificate representing all the Pledged Stock thereunder, which shall consist of (x) 100% of the issued and outstanding shares of Capital Stock of Lake Crystal Salt, Hutchinson and Northern, Sifto Louisiana and Sifto Salt, and (y) 10% of the issued and outstanding shares of Underground Vaults & Storage, Inc. ("Underground Vault"), which in each case constitute all of such shares legally or beneficially owned by American Salt, (B) an undated stock power for each such certificate, duly endorsed in blank, and (C) an acknowledgement of and consent to the American Salt Pledge Agreement, executed by a duly authorized officer of Lake Crystal Salt, Hutchinson and Northern, Sifto Louisiana, and Underground Vault, and a certified copy of the consent of the directors and the sole shareholder of Sifto Salt to the American Salt Pledge Agreement and any transfer of the shares of the capital stock of Sifto Salt resulting from any realization proceedings thereunder;

(iii) the American Salt Security Agreement;

(iv) the Subsidiary Guarantors Security Agreements;

(v) the American Salt Mortgages;

(vi) the Hutchinson and Northern Mortgage;

(vii) the American Salt Lock-Box Agreements;  
and

(vii) such other collateral security documents granting Liens on the property of American Salt as the Credit Agents or any Senior Note Holder shall reasonably request.

(f) Canadian Security Documents. (i) The Canadian Collateral Agent shall have received, executed

and delivered by a duly authorized officer of each party thereto, with a copy for each Credit Agent, each Lender and each Senior Note Holder:

- (A) the Canadian Debenture;
- (B) the Canadian Pledge Agreement;
- (C) the Canadian Security Agreement;
- (D) the Canadian General Assignment;
- (E) the Canadian Collateral Hypothec;
- (F) the Canadian Commercial Pledge;
- (G) the Canadian Transfer of Property in Stock;
- (H) the Sifto Salt Lock-Box Agreement; and
- (I) such other collateral security documents granting Liens on the property of Sifto Salt as the Credit Agents or any Senior Note Holder shall reasonably request.

(ii) The Canadian Collateral Agent shall have received, executed and delivered by a duly authorized officer of each party thereto, the documentation necessary or appropriate relating to the Canadian Bank Act Security, with a copy for each Credit Agent, each Interest Protection Party, each Lender and each Senior Note Holder.

(g) Guarantees. Each Credit Agent shall have received, with a counterpart for each Lender for which it is agent, and each Senior Note Holder shall have received, executed and delivered by a duly authorized officer of each party thereto, the Guarantees.

(h) Purchase Agreements; Certificate; Acquisition; Assignment. Each Credit Agent shall have received, with copies for each Lender for which it is agent, and each Senior Note Holder shall have received, true and correct copies of the Purchase Agreements and all amendments and waivers relating thereto. The Purchase Agreements shall not have been amended, supplemented or otherwise modified since the date thereof, except as may have been consented to in writing by the Credit Agents and each Senior Note Holder. The Purchase Agreements shall each be accompanied by a certificate, dated the Closing Date, of a Responsible Officer of American Salt to such effect. The transactions described in the Initial Purchase Agreements which are to occur prior to the



Closing Date shall have been consummated in all material respects in accordance with the terms and provisions thereof, and each Credit Agent shall have received, with a copy for each Lender, and each Senior Note Holder shall have received, a certificate of a Responsible Officer of American Salt certifying that the only condition to the consummation of the Acquisition remaining to be satisfied under the Initial Purchase Agreements (which condition shall be satisfied substantially simultaneously with the making of the Initial Loans and the purchase of the Senior Notes) is the delivery of funds sufficient to pay the amounts required to be paid under Section 2.2 of each Initial Purchase Agreement. None of the conditions to the Seller's and the Purchasers' obligations to consummate the Acquisition shall have been waived by the Seller or either Purchaser without the prior written consent of the Credit Agents and each Senior Note Holder. Each Credit Agent shall have received, with copies for each Lender for which it is Agent, and each Senior Note Holder shall have received, true and correct copies of the Assignment Agreement, which shall be in form and substance satisfactory to the Credit Agents and each Senior Note Holder.

(i) Consents. Each Credit Agent shall have received, with copies and executed certificates for each Lender for which it is agent, and each Senior Note Holder shall have received, true copies of all documents and instruments, including all consents, authorizations and filings, required or advisable under any Requirement of Law applicable to, or by any Contractual Obligation of, any Transaction Party in connection with the execution, delivery, performance, validity or enforceability of this Master Agreement, the Credit Agreements, the Notes, the Senior Note Purchase Agreement, the Senior Notes, the other Transaction Documents (other than the Louisiana Purchase Agreement), including, without limitation, any consents or no-action letters issued under the Competition Act (Canada) and the Investment Canada Act, together with a certificate of a Responsible Officer of American Salt stating that the foregoing are true copies and are all the consents, authorizations and filings so required (except where the failure to obtain or make such consents, authorizations and filings, individually or in the aggregate, would not (A) have a material adverse effect on the business, operations, properties or condition (financial or otherwise) of American Salt and its Subsidiaries taken as a whole, (B) materially adversely affect the ability of any Transaction Party to perform its obligations under any of the Transaction Documents to which is a party or (C) have a material adverse effect on the rights and remedies of the Secured Parties under the

Credit Documents), and such consents, authorizations, and filings shall be satisfactory in form and substance to the Credit Agents and each Senior Note Holder and be in full force and effect.

(j) Related Agreements. Each Credit Agent shall have received, with a counterpart or a conformed copy for each Lender for which it is agent, and each Senior Note Holder shall have received, true and correct copies, certified as to authenticity by a Responsible Officer of American Salt, of (i) the Existing Note, and (ii) the PIK Preferred Stock, the other Capital Stock of North American Salt and the GSL Preferred Stock and the purchase agreements pursuant to which they were issued, which shall each be in form and substance reasonably satisfactory to the Credit Agents and each Senior Note Holder, and such other documents or instruments as may be reasonably requested by the Credit Agents or any Senior Note Holder, including, without limitation, a copy of any debt instrument, security agreement or other material contract to which any Transaction Party or any of its Subsidiaries may be a party.

(k) Capitalization Documents. Each Credit Agent shall have received, with a counterpart for each Lender for which it is agent, and each Senior Note Holder shall have received, a copy of each Capitalization Document, certified as of the Closing Date as true and correct copies thereof by a Responsible Officer of American Salt, which shall be in form and substance satisfactory to the Credit Agents and each Senior Note Holder.

(l) Capitalization. (i) Each Credit Agent and each Senior Note Holder shall have received satisfactory evidence that (A) American Salt shall have received (1) \$6,835,000 as gross proceeds of an equity contribution in respect of the American Salt Common Stock and (2) \$60,000,000 as gross proceeds of the issuance of the Subordinated Notes, (B) Sifto Salt shall have received \$14,000,000 from American Salt as gross proceeds of an equity contribution in respect of the Sifto Salt Common Stock and (C) North American Salt shall have received \$6,835,000 from the issuance and sale of the Capital Stock of North American Salt, and (ii) the Senior Note Holders shall have received satisfactory evidence that North American Salt shall have received \$12,000,000 as gross proceeds of the issue and sale of the PIK Preferred Stock. All documents, instruments and other matters relating to the equity contribution to, and the capital and debt structure of, each of the Transaction Parties shall be satisfactory in form and substance to each Credit Agent and each Senior Note Holder. Immediately after (i) the equity contributions in

respect of American Salt, (ii) the initial borrowings under the Credit Agreements, (iii) the issuance and sale of the Senior Notes and the Subordinated Notes and the making of the Notes, and (iv) the Acquisition, the capitalization of each of North American Salt and each Borrower will be as set forth opposite its name on Schedule 6.

(m) Funding of Senior Notes and the Initial Loans.

(i) In the case of the Initial Loans, the Credit Agents shall have received satisfactory evidence that the Senior Note Holders have irrevocably committed to purchase the Senior Notes, and (ii) in the case of the Senior Notes, the Senior Note Holders shall have received satisfactory evidence that the Lenders have irrevocably committed to make the Initial Loans.

(n) Opinions Relating to Capitalization Documents.

Each Credit Agent shall have received, with a counterpart for each Lender for which it is agent, and each Senior Note Holder shall have received, a copy of the legal opinions referred to in Section 4.01(gg) of the Subordinated Note Purchase Agreement.

(o) Purchase Price. The aggregate consideration paid in connection with the Acquisition, in cash, shall not exceed \$143,500,000 (Cdn.), subject to adjustments described in the Purchase Agreements.

(p) Closing Certificates. (i) The American Salt Agent shall have received, with a counterpart for each American Salt Lender, and each Senior Note Holder shall have received, a Closing Certificate of American Salt, dated the Closing Date, with appropriate insertions and attachments, satisfactory in form and substance to the American Salt Agent and its counsel and each Senior Note Holder and its respective counsel, executed by the President or any Vice President and the Secretary or any Assistant Secretary of American Salt; and (ii) the Sifto Salt Agent shall have received, with a counterpart for each Sifto Salt Lender, and each Senior Note Holder shall have received, a Closing Certificate of Sifto Salt, dated the Closing Date, with appropriate insertions and attachments, satisfactory in form and substance to the Sifto Salt Agent and its counsel and each Senior Note Holder and its respective counsel, executed by the President or any Vice President and the Secretary or any Assistant Secretary of Sifto Salt.

(q) Corporate Proceedings of the Credit Parties.

Each Credit Agent shall have received, with a counterpart for each Lender for which it is agent, and each Senior Note Holder shall have received, a copy of the resolutions in form and substance reasonably

satisfactory to the Credit Agents and each Senior Note Holder, of the Board of Directors of (i) each Borrower authorizing (A) the execution, delivery and performance of this Master Agreement, the Credit Agreement to which it is party, and the Notes made by it and the other Transaction Documents to which it is a party and in the case of Sifto Salt, the Senior Note Purchase Agreement and the Senior Notes, and the other Transaction Documents to which it is a party, (B) the borrowings contemplated under the Credit Agreement to which it is a party, and in the case of Sifto Salt, the issuance and sale by it of the Senior Notes pursuant to the Senior Note Purchase Agreement and (C) the granting by it of the pledge and security interests granted by it pursuant to the Security Documents to which it is a party, (ii) each of North American Salt and each Subsidiary Guarantor, authorizing (A) the execution, delivery and performance of this Master Agreement and the other Transaction Documents to which it is a party and (B) the granting by it of the pledge and security interests and guarantees granted by it pursuant to the Security Documents and Guarantee to which it is a party, (iii) Carey Salt authorizing the execution, delivery and performance of the Merger Agreement and (iv) the appropriate Credit Parties authorizing appropriate name changes, in each case certified by the Secretary or an Assistant Secretary of such Person as of the Closing Date, which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded as of the date of such certificate.

(r) Incumbency Certificates. Each Credit Agent shall have received, with a counterpart for each Lender for which it is agent, and each Senior Note Holder shall have received, a certificate of each Transaction Party, dated the Closing Date, as to the incumbency and signature of the officers of such Persons executing any Transaction Document, satisfactory in form and substance to the Credit Agents and their counsel and each Senior Note Holder and its respective counsel, executed by the President or any Vice President and the Secretary or any Assistant Secretary of each such Person.

(s) Corporate Proceedings of the Purchasers. Each Credit Agent shall have received, with a counterpart for each Lender for which it is agent, and each Senior Note Holder shall have received, a copy of the resolutions in form and substance reasonably satisfactory to each Credit Agent and each Senior Note Holder and its respective counsel, of the Board of Directors of each Purchaser authorizing the execution, delivery and performance of the Purchase Agreement to which it is a party and, in the case of Sifto Louisiana, authorizing the execution, delivery and performance of the

Assignment Agreement, certified by the Secretary or an Assistant Secretary of each such Purchaser as of the Closing Date, which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded as of the date of such certificate.

(t) Corporate Documents. Each Credit Agent shall have received, with a counterpart for each Lender for which it is agent, and each Senior Note Holder shall have received, true and complete copies of the certificate of incorporation and by-laws of each Transaction Party, certified as of the Closing Date as true, complete and correct copies thereof by the Secretary or an Assistant Secretary of such Person.

(u) Good Standing Certificates. Each Credit Agent shall have received, with a counterpart for each Lender for which it is agent, and each Senior Note Holder shall have received, copies of certificates dated as of a recent date from the Secretary of State or other appropriate authority, evidencing the good standing of each of the Credit Parties in each U.S. state or Canadian province where the ownership, lease or operation of property or the conduct of business requires it to qualify as a foreign corporation except where the failure to so qualify would not have a material adverse effect on the business, operations, properties or condition (financial or otherwise) of American Salt and its Subsidiaries taken as a whole.

(v) Financial Information. Each Credit Agent shall have received, with a copy for each Lender for which it is agent, and each Senior Note Holder shall have received, a copy of each of the financial statements referred to in subsection 3.1.

(w) Litigation. No suit, action, investigation, inquiry or other proceeding (including, without limitation, the enactment or promulgation of a statute or rule) by or before any arbitrator or any Governmental Authority shall be pending and no preliminary or permanent injunction or order by a U.S. state, Canadian provincial or U.S. or Canadian federal court shall have been entered (i) in connection with any Transaction Document, or any of the transactions contemplated hereby or thereby or (ii) which, in any such case, in the reasonable judgment of the Credit Agents or any Senior Note Holder, (A) would have a material adverse effect on the transactions contemplated by this Master Agreement, the Credit Agreements and the Senior Note Purchase Agreement, including, without limitation, the Acquisition and the financings contemplated hereby and by the Capitalization Documents, (B) would materially

adversely affect the ability of any Transaction Party to perform its obligations under the Transaction Documents to which it is a party, (C) would have a material adverse effect on the rights and remedies of the Secured Parties under the Credit Documents or (D) would have a material adverse effect on the business, operations, property or financial or other condition of American Salt and its Subsidiaries taken as a whole, other than, in each case, as contemplated by the letter of the U.S. Department of Justice dated March 9, 1990 concerning the review of the acquisition of Carey Salt and matters related thereto.

(x) No Violation. The consummation of the transactions contemplated hereby and by the other Transaction Documents shall not contravene, violate or conflict with, nor involve any Agent, any Lender or any Senior Note Holder in a violation of, any Requirement of Law.

(y) Merger. (i) (A) Certificates of merger with respect to the merger of Carey Salt into American Salt (the "Carey Merger") shall have been filed with the Secretary of State of Delaware pursuant to the terms of a merger agreement (including all amendments thereto, the "Carey Merger Agreement") in form and substance reasonably acceptable to the Credit Agents and each Senior Note Holder, and (B) certificates of merger with respect to the merger of Sifto Acquisition into American Salt (the "Sifto Merger") shall have been filed with the Secretary of State of Delaware pursuant to the terms of the Sifto Merger Agreement, and each Credit Agent shall have received, with a copy for each Lender for which it is agent, and each Senior Note Holder shall have received, a true and correct copy of the Merger Agreements, each Credit Agent and each Senior Note Holder shall have received a certificate of a Responsible Officer of North American Salt certifying that all other conditions to be satisfied under the Merger Agreements in order for the Mergers to be consummated have been satisfied, and the Mergers shall have become effective in accordance with the laws of the State of Delaware and the Credit Agents and each Senior Note Holder shall have received evidence satisfactory to them to that effect.

(ii) Each Credit Agent and each Senior Note Holder shall have received evidence satisfactory to it that Carey Salt Holdings, Inc. shall have changed its name to North American Salt Company.

(z) Fees. The Credit Agents shall have received the fees to be paid on the Closing Date referred to in

the Fee Letter, dated as of March 30, 1990, between American Salt and Sifto Salt and Barclays PLC.

(aa) Filings, Registrations and Recordings.

(i) All filings, registrations and recordings listed in Schedule 7 in respect of property of the Credit Parties located in the United States shall have been properly filed, registered or recorded in each jurisdiction or office listed in Schedule 7 or shall have been properly placed with a title company acceptable to the U.S. Collateral Agent which shall have issued a binding title commitment that affords "gap coverage" with respect to such filings, registrations or recordings. Any documents (including, without limitation, financing statements) required to be filed under any of the Security Documents in order to create, in favor of the U.S. Collateral Agent, a perfected security interest in the Collateral thereunder with respect to which a security interest may be perfected by a filing under the Uniform Commercial Code as there in effect or by a filing in the United States Patent and Trademark Office shall have been properly filed in each office in each jurisdiction listed in the respective Security Document, and such filings shall be the only ones required in order to create in favor of the U.S. Collateral Agent for the ratable benefit of the Secured Parties, a perfected Lien on the respective collateral described therein in the jurisdictions or offices listed on Schedule 7.

(ii) All filings, registrations and recordings of the Security Documents or notice thereof in respect of property of the Credit Parties located in Canada shall have been properly filed, registered or recorded in all offices in the provinces of Ontario, Quebec, Saskatchewan and Nova Scotia or other applicable jurisdictions where such filing, registration or recording is necessary or advantageous to the creation, and where applicable, perfection and preservation of the security constituted by the Security Documents in favor of the Canadian Collateral Agent for the ratable benefit of the Secured Parties or the Canadian Lenders, including, without limitation, any land registrations, filings or registrations in the offices of a mining recorder or similar Governmental Authority and registrations under applicable personal property security legislation. Subject to the terms of the Escrow Agreement, the Collateral Agents shall have received the written consent of each party to, or Governmental Authority having authority in respect of, the Contractual Obligations listed on Schedule 8 to the granting by the Borrowers of a charge, mortgage, pledge, sub-lease and/or security in and to the said Contractual Obligations.

(iii) The Collateral Agents shall have received evidence reasonably satisfactory to them of each of the foregoing filings, registrations and recordations and satisfactory evidence of the payment of any necessary fees, taxes or expenses relating thereto.

(bb) Surveys. (i) The U.S. Collateral Agent shall have received, and the title insurance company issuing the policy referred to in subsection 4.1(aa)(i) (the "Title Insurance Company") shall have received, maps or plats of a survey of the sites of the property covered by each American Salt Mortgage (except as to the property in Kansas, Utah and Wisconsin covered by leasehold mortgages) certified to the U.S. Collateral Agent and the Title Insurance Company in a manner satisfactory to them, dated a date satisfactory to the U.S. Collateral Agent and the Title Insurance Company by an independent professional licensed land surveyor satisfactory to the U.S. Collateral Agent and the Title Insurance Company, which maps or plats and the surveys on which they are based shall be made in accordance with the Minimum Standard Detail Requirements for Land Title Surveys jointly established and adopted by the American Land Title Association and the American Congress on Surveying and Mapping in 1962, and, without limiting the generality of the foregoing, there shall be surveyed and shown on the maps or plats or surveys the following: (i) the locations on such sites of all the buildings, structures and other improvements; (ii) the lines of streets abutting the sites and widths thereof; (iii) all access and other easements appurtenant to the sites or necessary or desirable to use the sites; (iv) all roadways, paths, driveways, easements, encroachments and overhanging projections and similar encumbrances affecting the site, whether recorded, apparent from a physical inspection of the sites or otherwise known to the surveyor; (v) any encroachments on any adjoining property by the building structures and improvements on the sites; and (vi) if the site is described as being on a filed map, a legend relating the survey to said map.

(ii) The Canadian Collateral Agent shall have received maps or plats of a survey of the sites of the property covered by Schedules A-1 and A-2 of the Canadian Debenture (except as indicated on Schedules A-1 and A-2) certified to the Canadian Collateral Agent in a manner satisfactory to it, dated a date satisfactory to the Canadian Collateral Agent by an independent professional licensed land surveyor satisfactory to the Canadian Collateral Agent, which maps or plats and the surveys on which they are based, shall be made in accordance with prevailing standards of the province in which property is located, and without limiting the



generality of the foregoing, there shall be surveyed and shown on the maps or plats or surveys the following: (i) the locations on such sites of all the buildings, structures and other improvements; (ii) the lines of streets abutting the sites and widths thereof; (iii) all access and other easements appurtenant to the sites or necessary or desirable to use the sites; (iv) all roadways, paths, driveways, easements, encroachments and overhanging projections and similar encumbrances affecting the site, whether recorded, apparent from a physical inspection of the sites or otherwise known to the surveyor; (v) any encroachments on an adjoining property by the building structures and improvements on the sites; and (vi) if the site is described as being on a filed map, a legend relating the survey to said map.

(cc) Title Insurance Policies. The U.S. Collateral Agent shall have received in respect of each parcel and/or leasehold interest covered by each American Salt Mortgage (except as to the leasehold interests in Kansas, Utah and Wisconsin) and the Hutchinson and Northern Mortgage, a mortgagee's title policy (or policies) or a marked up unconditional binder for such insurance dated the Closing Date. Each such policy shall (A) be in an amount satisfactory to the U.S. Collateral Agent; (B) be issued at ordinary rates; (C) insure that the American Salt Mortgages and the Hutchinson and Northern Mortgage insured thereby creates a valid first Lien on American Salt's or Hutchinson and Northern's, as the case may be, interest in such parcel and/or leasehold interest free and clear of all defects and encumbrances, except such as may be approved by the U.S. Collateral Agent; (D) name the U.S. Collateral Agent for the benefit of the Secured Parties as the insured thereunder; (E) be in the form of an ALTA Loan Policy - 1970 (Amended 10/17/70); (F) contain such endorsements and affirmative coverage as the U.S. Collateral Agent may reasonably request and (G) be issued by title companies satisfactory to the U.S. Collateral Agent (including any such title companies acting as co-insurers or reinsurers, at the option of the U.S. Collateral Agent). The U.S. Collateral Agent shall have received evidence satisfactory to it that all premiums in respect of each such policy, and all charges for mortgage recording tax, if any, have been paid.

(dd) Flood Insurance. The U.S. Collateral Agent shall have received (A) a policy of flood insurance which (x) covers any parcel of improved real property which is encumbered by any American Salt Mortgage or the Hutchinson and Northern Mortgage, (y) is written in an amount not less than the outstanding principal amount of the indebtedness secured by such American Salt Mortgage or Hutchinson and Northern Mortgage which is reasonably

allocable to such real property or the maximum limit of coverage made available with respect to the particular type of property under the Act, whichever is less, and (2) has a term ending not earlier than the maturity of the indebtedness secured by such American Salt Mortgage or Hutchinson and Northern Mortgage and (B) confirmation that American Salt has received the notice required pursuant to Section 208(e)(3) of Regulation H of the Board of Governors of the Federal Reserve System.

(ee) Copies of Documents. (i) The U.S. Collateral Agent shall have received a copy of all recorded documents referred to, or listed as exceptions to title in, the title policy or policies referred to in subsection 4.1(cc) and a copy, certified by such parties as the U.S. Collateral Agent may deem appropriate, of all other documents affecting the interest in property covered by the American Salt Mortgages and the Hutchinson and Northern Mortgage.

(ii) The Canadian Collateral Agent shall have received a copy of all recorded documents referred to, or listed as exceptions to title in, the title opinions referred to in subsection 4.1(nn)(ii) and a copy, certified by such parties as the Canadian Collateral Agent may deem appropriate, of all other documents affecting the property covered by each Canadian Debenture.

(ff) Lien Searches. (i) The U.S. Collateral Agent shall have received the results of a recent search by a Person satisfactory to the U.S. Collateral Agent, of the Uniform Commercial Code filings which may have been filed with respect to personal property of the Credit Parties.

(ii) The Canadian Collateral Agent shall have received the results of a recent search by local Canadian counsel to the Canadian Collateral Agent, of all filings, registrations or recordings which may have been filed, registered or recorded with respect to security taken or granted in personal property of the Credit Parties in the Provinces of Ontario, Quebec, Nova Scotia and Saskatchewan.

(gg) Appraisals of Assets. Each Credit Agent shall have received, with a copy for each Lender for which it is agent, and each Senior Note Holder shall have received, (i) an appraisal prepared by Coopers and Lybrand of the assets to be purchased pursuant to the Purchase Agreements, (ii) an appraisal, dated December 31, 1987, prepared by American Appraisal Associates, of the assets of American Salt, (iii) an Appraisal of Property, dated March 23, 1989, prepared by John Oswald

& Co., valuing the real property and plant of Carey Salt, Inc., and (iv) a Fixed Asset Appraisal, dated April 8, 1989, prepared by the management of Carey Salt, Inc., valuing the equipment of Carey Salt, Inc., each of the foregoing in form and substance satisfactory to the Credit Agents and each Senior Note Holder (together with the current assets of North American Salt, the Borrowers and each Subsidiary of Sifto Salt, as would be reflected on a balance sheet of each such Person prepared as of the Closing Date and in accordance with GAAP) and together establishing a consolidated market value of the assets of North American Salt on the Closing Date of at least \$180,000,000.

(hh) Mining Audit. Each Credit Agent shall have received, with a copy for each Lender for which it is agent, and each Senior Note Holder shall have received, one or more audits of the operations and properties of North American Salt and its Subsidiaries and of the operations and properties to be acquired pursuant to the Purchase Agreements by one or more mining consultants to Barclays PLC, the results and scope of review of which shall be reasonably satisfactory to each Credit Agent and each Senior Note Holder.

(ii) Environmental Audits and Reports. Each Credit Agent shall have received, with a copy for each Lender for which it is agent, and each Senior Note Holder shall have received, (i) an environmental status report prepared by Eder Associates Consulting Engineers, P.C., reporting on environmental audits of properties of American Salt, Carey Salt, Great Salt Lake, and the Sifto Salt Division addressing environmental liabilities relating to the operations, present and past waste disposal practice and properties of the Borrowers and their Subsidiaries, and setting forth environmental compliance strategies for certain facilities of the Borrowers and their Subsidiaries, and (ii) a report by Blasland & Bouck Engineers, P.C., assessing the conclusions reached by Eder Associates Consulting Engineers, P.C. in the environmental audits referred to above, the scope and results of each of which shall be affirmed by the Credit Parties to be complete and based on diligent inquiry and be reasonably satisfactory to each Credit Agent and each Senior Note Holder.

(jj) Insurance. Each Credit Agent and each Senior Note Holder shall have received evidence satisfactory to it that each Borrower shall have obtained, and there shall be in effect, insurance policies reasonably satisfactory to the Credit Agents and each Senior Note Holder and their respective insurance advisors as to carrier, coverage and amount (including, without

limitation, business interruption insurance and the insurance policies required by the Security Documents).

(kk) Key Employment Contracts. Each Credit Agent shall have received, with a copy for each Lender for which it is agent, and each Senior Note Holder shall have received, employment contracts entered into by North American Salt with each of D. George Harris, Anthony J. Petrocelli and Richard J. Donahue (the "Key Employment Contracts"), in form and substance reasonably satisfactory to each Credit Agent and their counsel and each Senior Note Holder and their counsel.

(ll) List of Expenses. Each Credit Agent shall have received, with a copy for each Lender for which it is agent, and each Senior Note Holder shall have received, a list of all closing expenses and related fees incurred by the Transaction Parties in connection with the consummation of the Acquisition.

(mm) Solvency Opinions. Each Credit Agent shall have received, with a copy for each Lender for which it is agent, and each Senior Note Holder shall have received, an executed copy of an opinion by the Chief Financial Officer of American Salt, which shall document the solvency of each of North American Salt and its consolidated Subsidiaries, American Salt and its consolidated Subsidiaries and Sifto Salt, in each case after giving effect to the consummation of the Acquisition and the financings contemplated hereby and by the Capitalization Documents and the Stock Purchase Agreement and as to their financial resources and ability to meet their obligations and liabilities as they become due, which opinion shall be in form and substance satisfactory to the Credit Agents and each Senior Note Holder and their counsel.

(nn) Legal Opinions. (i) The American Salt Agent shall have received, with a counterpart for each American Salt Lender, the executed legal opinion of Messrs. Winthrop, Stimson, Putnam & Roberts, counsel to the Transaction Parties, substantially in the form of Exhibit N-1, with such changes therein as shall be requested or approved by the American Salt Agent.

(ii) The Sifto Salt Agent shall have received, with a counterpart for each Sifto Salt Lender, the executed legal opinion of Messrs. McCarthy, Tetrault, counsel to Sifto Salt, substantially in the form of Exhibit O-1, with such changes therein as shall be requested or approved by the Sifto Salt Agent.

(iii) Each Senior Note Holder shall have received the executed legal opinions of (A) Messrs.

Winthrop, Stimson, Putnam & Roberts, counsel to the Transaction Parties, substantially in the form of Exhibit N-2, and (B) Messrs. McCarthy, Tetrault, counsel to Sifto Salt, substantially in the form of Exhibit N-2, in each case with such changes therein as shall be requested or approved by each Senior Note Holder.

(iv) Each Credit Agent shall have received, with a counterpart for each Lender for which it is agent, and each Senior Note Holder shall have received, the executed legal opinion of local counsel for the Credit Parties in each of the Provinces of Ontario, Nova Scotia, Quebec and Saskatchewan, and each of the States of Florida, Illinois, Kansas, Utah and Wisconsin, in each case substantially in the form P-1 to P-11 with such changes therein as shall be requested or approved by the Credit Agents or the Senior Note Holders.

Each of the foregoing legal opinions shall cover such matters incident to the transactions contemplated by the Transaction Documents as the addressee, of such opinions, may reasonably require.

(oo) Financial Markets. From March 21, 1990 until the Closing Date, no material suspension of, material limitation on, or material disruption of, trading on U.S. national securities exchanges shall have occurred, and there shall not have been any declaration of a banking moratorium or any suspension of payments in respect of banks generally in the U.S. (notice of the occurrence of any of the foregoing to be given promptly by the Intercreditor Agent or any Senior Note Holder to North American Salt and, in the case of notice by the Intercreditor Agent, to each Senior Note Holder and, in the case of notice by any Senior Note Holder, to each other Senior Note Holder and the Intercreditor Agent).

(pp) Hart-Scott-Rodino; Governmental Approvals. The applicable waiting period with respect to the Acquisition under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 shall have expired, and the Credit Agents and each Senior Note Holder shall have received evidence satisfactory to them to that effect.

(qq) Available Revolving Credit. Immediately following the closing of the Purchase Agreements, the making of the Initial Loans (and after giving effect to the making of any Loans in respect of any portion of the Acquisition which may be subject to the Escrow Agreement), the issuance and sale of the Senior Notes and the Subordinated Notes, the making of equity contributions to each of the Borrowers and the payment of the transaction costs listed on Schedule 5 (assuming all said transaction costs paid on the Closing Date),

the aggregate amount available to be drawn in respect of the Revolving Credit Loans shall be not less than (i) if the General Host Debt shall not have been paid in full prior to the Closing Date, \$16,500,000 and (ii) if the General Host Debt shall have been paid in full prior to the Closing Date, \$7,000,000.

4.2 Conditions to American Salt Series B Term Loans. The agreement of each of the American Salt TL Lenders to make the American Salt Series B Term Loans requested to be made under the American Salt Credit Agreement is subject to the satisfaction of the following conditions immediately prior to or concurrently with the making of the American Salt Series B Term Loans (and such conditions may not be waived without the written consent of the Required Senior Note Holders):

(a) American Salt Series B Term Note. The American Salt Agent shall have received, with a counterpart for each American Salt TL Lender, and each American Salt RC Lender, the Sifto Salt Agent and each Senior Note Holder shall have received a copy (certified as true and correct by a Responsible Officer of American Salt) of, for the account of each American Salt TL Lender, an American Salt Series B Term Note conforming to the requirements of the American Salt Credit Agreement and executed and delivered by a duly authorized officer of American Salt.

(b) Louisiana Collateral Mortgage Documents; Louisiana Property Filing Schedule. The U.S. Collateral Agent shall have received, executed and delivered by a duly authorized officer of Sifto Acquisition, with a copy for each Credit Agent, each Lender and each Senior Note Holder, the Louisiana Collateral Mortgage Documents, the Louisiana Real Property Schedule and the Louisiana Property Filing Schedule, which shall be in form and substance reasonably satisfactory to the Credit Agents, the Required Lenders and the Majority Senior Note Holders.

(c) Louisiana Purchase Agreement; Certificate; Louisiana Acquisition. Each Credit Agent shall have received, with copies for each Lender for which it is an agent, and each Senior Note Holder shall have received, true and correct copies of, the U.S. Asset Purchase Agreement, dated September 26, 1989, between the Seller and Sifto Acquisition with respect to the Louisiana Property including all schedules and exhibits thereto and side letters affecting the terms thereof or otherwise delivered in connection therewith together with any certificate executed in connection therewith (as amended by the Extension Agreements dated as of January 18, 1990, February 28, 1990 and March 9, 1990,

the "Louisiana Purchase Agreement"), and all other amendments and waivers relating thereto, all of the foregoing entered into after the Closing Date to be in form and substance reasonably satisfactory to the Credit Agents, the Required Lenders and the Majority Senior Note Holders. The Louisiana Purchase Agreement shall not have been amended, supplemented or otherwise modified since the date thereof, except as may have been consented to in writing by the Credit Agents, the Required Lenders and the Majority Senior Note Holders. The Louisiana Purchase Agreement shall be accompanied by a certificate, dated the American Salt Series B Term Loan Closing Date, of a Responsible Officer of Sifto Louisiana to such effect. The transactions described in the Louisiana Purchase Agreement which are to occur prior to the American Salt Series B Term Loan Closing Date shall have been consummated in all material respects in accordance with the terms and provisions thereof, and each Credit Agent shall have received, with a copy for each Lender, and each Senior Note Holder shall have received, a certificate of a Responsible Officer of Sifto Louisiana certifying that the only condition to the consummation of the Louisiana Acquisition remaining to be satisfied under the Louisiana Purchase Agreement (which condition shall be satisfied substantially simultaneously with the making of the American Salt Series B Term Loans) is the delivery of funds sufficient to pay the purchase price required to be paid to the Seller under the Louisiana Purchase Agreement. None of the conditions to the obligations of the Seller and Sifto Louisiana to consummate the Louisiana Acquisition shall have been waived by the Seller or Sifto Louisiana without the prior written consent of the Credit Agents, the Required Lenders and the Majority Senior Note Holders.

(d) Consents. Each Credit Agent shall have received, with copies and executed certificates for each Lender for which it is agent, and each Senior Note Holder shall have received, true copies of all documents and instruments, including all consents, authorizations and filings, required or advisable under any Requirement of Law applicable to, or by any Contractual Obligation of, any Transaction Party in connection with the execution, delivery, performance, validity or enforceability of the Louisiana Purchase Agreement, together with a certificate of a Responsible Officer of American Salt stating that the foregoing are true copies and are all the consents, authorizations and filings so required (except where the failure to obtain or make such consents, authorizations and filings, individually or in the aggregate, would not (A) have a material adverse effect on the business, operations, properties or condition (financial or otherwise) of American Salt

and its Subsidiaries taken as a whole or Sifto Louisiana individually, (B) materially adversely affect the ability of any Transaction Party to perform its obligations under any of the Transaction Documents to which is a party or (C) have a material adverse effect on the rights and remedies of the Secured Parties under the Credit Documents), and such consents, authorizations, and filings shall be in form and substance reasonably satisfactory to the Credit Agents and the Majority Senior Note Holders and be in full force and effect.

(e) Purchase Price. The aggregate consideration paid in connection with the Louisiana Acquisition, in cash, shall not exceed \$36,500,000 (Cdn.), subject to any adjustments described in the Louisiana Purchase Agreement.

(f) Closing Certificate. The American Salt Agent shall have received, with a counterpart for each American Salt Lender, and each Senior Note Holder shall have received, a Closing Certificate of American Salt, dated the American Salt Series B Term Loan Closing Date, with appropriate insertions and attachments, reasonably satisfactory in form and substance to the American Salt Agent and its counsel and the Majority Senior Note Holders and its respective counsel, executed by the President or any Vice President and the Secretary or any Assistant Secretary of American Salt.

(g) Corporate Proceedings. Each Credit Agent shall have received, with a counterpart for each Lender, and each Senior Note Holder shall have received, a copy of the resolutions in form and substance reasonably satisfactory to the American Salt Agent and their counsel and the Majority Senior Note Holders and its respective counsel, of the Board of Directors of American Salt authorizing (A) the execution and delivery of the American Salt Series B Term Notes and (B) the borrowings under the American Salt Series B Term Loans, certified by the Secretary or an Assistant Secretary of American Salt as of the American Salt Series B Term Loan Closing Date, which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded as of the date of such certificate; and

(ii) Each Credit Agent shall have received, with a counterpart for each Lender for which it is agent, and each Senior Note Holder shall have received, a copy of the resolutions in form and substance reasonably satisfactory to the Credit Agents and the Majority Senior Note Holders, of the Board of Directors of Sifto Louisiana, authorizing (A) the execution, delivery and



performance of each of the Louisiana Collateral Mortgage Documents, (B) the execution, delivery and performance of the Louisiana Purchase Agreement and (C) the granting by it of the pledge and security interests granted by it pursuant to the Louisiana Collateral Mortgage Documents, certified by the Secretary or Assistant Secretary of Sifto Louisiana as of the American Salt Series B Term Loan Closing Date, which certificate shall state that the resolutions thereby certified have not been amended, modified, revoked or rescinded as of the date of such certificate.

(h) Incumbency Certificates. Each Credit Agent shall have received, with a counterpart for each Lender for which it is agent, and each Senior Note Holder shall have received (i) a certificate of American Salt as to the incumbency and signature of the officers of American Salt executing the American Salt Series B Term Notes and (ii) a certificate of Sifto Louisiana as to the incumbency and signature of the officers of Sifto Louisiana executing any of the Louisiana Collateral Mortgage Documents, in each case dated as of the American Salt Series B Term Loan Closing Date and reasonably satisfactory in form and substance to the Credit Agents and their counsel and the Majority Senior Note Holders and their respective counsel.

(i) Corporate Documents. Each Credit Agent shall have received, with a counterpart for each Lender for which it is agent, and each Senior Note Holder shall have received, true and complete copies of the certificate of incorporation and by-laws of American Salt and Sifto Louisiana, certified as of the American Salt Series B Term Loan Closing Date as true, complete and correct copies thereof by the Secretary or Assistant Secretary of American Salt or Sifto Louisiana, as the case may be.

(j) Good Standing Certificates. Each Credit Agent shall have received, with a counterpart for each Lender for which it is agent, and each Senior Note Holder shall have received, copies of certificates dated as of a recent date from the Secretary of State or other appropriate authority, evidencing the good standing of American Salt and Sifto Louisiana, in each U.S. state or Canadian province where the ownership, lease or operation of property or the conduct of business requires it to qualify as a foreign corporation, except where the failure to so qualify would not have a material adverse effect on the business, operations, properties or condition (financial or otherwise) of American Salt and its Subsidiaries taken as a whole or Sifto Louisiana individually, as the case may be.

(k) No Violation. The consummation of the Louisiana Acquisition, the granting of the pledge and security interests pursuant to the Louisiana Purchase Agreement and the borrowings under the American Salt Series B Term Loans shall not contravene, violate or conflict with, nor involve any Agent, any Lender or any Senior Note Holder in a violation of, any Requirement of Law.

(l) Litigation. No suit, action, investigation, inquiry or other proceeding (including, without limitation, the enactment or promulgation of a statute or rule) by or before any arbitrator or any Governmental Authority shall be pending and no preliminary or permanent injunction or order by a U.S. state, Canadian provincial or U.S. or Canadian federal court shall have been entered (i) in connection with the Louisiana Purchase Agreement or the Louisiana Collateral Mortgage Documents, or any of the transactions contemplated thereby or (ii) which, in any such case, in the reasonable judgment of the American Salt Credit Agent, (A) would have a material adverse effect on the transactions contemplated by this Master Agreement and the Credit Agreements, including, without limitation, Louisiana Acquisition and the financings contemplated hereby and by the Capitalization Documents; (B) would materially adversely affect the ability of any Transaction Party to perform its obligations under the Transaction Documents to which it is a party after giving effect to the performance of each other Transaction Party under the Transaction Documents, (C) would have a material adverse effect on the rights and remedies of the Secured Parties under the Credit Documents or (D) would have a material adverse effect on the business, operations, property or financial or other condition of American Salt and its Subsidiaries taken as a whole or Sifto Louisiana individually, other than, in each case, as contemplated by the letter of the U.S. Department of Justice dated March 9, 1990 concerning the review of the acquisition of Carey Salt Inc. and matters relating thereto.

(m) Filings, Registrations and Recordings. (i) All filings, registrations and recordings determined by the U.S. Collateral Agent to be necessary or desirable with respect to the security interests granted by Sifto Louisiana to the U.S. Collateral Agent pursuant to the Louisiana Collateral Mortgage Documents shall have been properly filed, registered or recorded in each jurisdiction or office identified by the U.S. Collateral Agent in connection therewith or shall have been properly placed with a title company acceptable to the U.S. Collateral Agent which shall have issued a binding title commitment that affords "gap coverage" with

respect to such filings, registrations or recordings. Any documents (including, without limitation, financing statements) required to be filed under any of the Louisiana Collateral Mortgage Documents in order to create, in favor of the U.S. Collateral Agent, a perfected security interest in the collateral thereunder with respect to which a security interest may be perfected by a filing under the Uniform Commercial Code (or the equivalent thereof) as there in effect shall have been properly filed in each office in each jurisdiction listed in the respective Louisiana Collateral Mortgage Documents, and such filings shall be the only ones required in order to create in favor of the U.S. Collateral Agent for the ratable benefit of the Secured Parties, a perfected Lien on the respective collateral described therein in the jurisdictions or offices referred to above.

(ii) The U.S. Collateral Agent shall have received evidence reasonably satisfactory to it of each of the foregoing filings, registrations and recordations and satisfactory evidence of the payment of any necessary fees, taxes or expenses relating thereto.

(n) Surveys. The U.S. Collateral Agent shall have received, and the title insurance company issuing the policy referred to in subsection 4.2(m)(i) (the "Louisiana Title Insurance Company") shall have received, maps or plats of a survey of the sites of the property covered by the Louisiana Collateral Mortgage certified to the U.S. Collateral Agent and the Louisiana Title Insurance Company in a manner satisfactory to them, dated a date satisfactory to the U.S. Collateral Agent and the Louisiana Title Insurance Company by an independent professional licensed land surveyor satisfactory to the U.S. Collateral Agent and the Louisiana Title Insurance Company, which maps or plats and the surveys on which they are based shall be made in accordance with the Minimum Standard Detail Requirements for Land Title Surveys jointly established and adopted by the American Land Title Association and the American Congress on Surveying and Mapping in 1962, and, without limiting the generality of the foregoing, there shall be surveyed and shown on the maps or plats or surveys the following: (i) the locations on the surface of such sites of all the buildings, structures and other improvements; (ii) the lines of streets abutting the sites and widths thereof; (iii) all access and other easements appurtenant to the sites or necessary or desirable to use the sites; (iv) all roadways, paths, driveways, easements, encroachments and overhanging projections and similar encumbrances affecting the surface of the site, whether recorded, apparent from a physical inspection of the surface of the sites or

otherwise known to the surveyor; (v) any encroachment on any adjoining property by the building structures and improvements on the surface of the sites; and (vi) if the site is described as being on a file map, a legend relating the survey to said map.

(o) Title Insurance Policies. The U.S. Collateral Agent shall have received in respect of each parcel and/or leasehold interest covered by the Louisiana Collateral Mortgage, a mortgagee's title policy (or policies) or a marked up unconditional binder for such insurance dated the American Salt Series B Term Loan Closing Date. Each such policy shall (A) be in an amount reasonably satisfactory to the U.S. Collateral Agent; (B) be issued at ordinary rates; (C) insure that the Louisiana Collateral Mortgage creates a valid first Lien on American Salt's (or the Subsidiary thereof party to the Louisiana Purchase Agreement, as the case may be) interest in such parcel and/or leasehold interest free and clear of all defects and encumbrances, except such as may be approved by the U.S. Collateral Agent; (D) name the U.S. Collateral Agent for the benefit of the Secured Parties as the insured thereunder; (E) be in the form of an ALTA Loan Policy - 1970 (Amended 10/17/70; (F) contain such endorsements and affirmative coverage as the U.S. Collateral Agent may reasonably request and (G) be issued by title companies satisfactory to the U.S. Collateral Agent (including any such title companies acting as co-insurers or reinsurers, at the option of the U.S. Collateral Agent). The U.S. Collateral Agent shall have received evidence reasonably satisfactory to it that all premiums in respect of each such policy, and all charges for mortgage recording tax, if any, have been paid.

(p) Flood Insurance. The U.S. Collateral Agent shall have received (A) a policy of flood insurance which (X) covers any parcel of improved real property which is encumbered by the Louisiana Collateral Mortgage, (y) is written in an amount not less than the outstanding principal amount of the indebtedness secured by such Louisiana Collateral Mortgage which is reasonably allocable to such real property or the maximum limit of coverage made available with respect to the particular type of property under the Act, whichever is less, and (z) has a term ending not earlier than the maturity of the indebtedness secured by such Louisiana Collateral Mortgage and (B) confirmation that American Salt has received the notice required pursuant to Section 208(e)(3) of Regulation H of the Board of Governors of the Federal Reserve System.

(q) Copies of Documents. The U.S. Collateral Agent shall have received a copy of all recorded

documents referred to, or listed as exceptions to title in, the title policy or policies referred to in subsection 4.2(m)(i) and a copy, certified by such parties as the U.S. Collateral Agent may deem appropriate, of all other documents affecting the interest in property covered by the Louisiana Collateral.

(r) Lien Searches. The U.S. Collateral Agent shall have received the results of a recent search by a Person reasonably satisfactory to the U.S. Collateral Agent, of the Uniform Commercial Code filings (or the equivalent thereof) which may have been filed with respect to the Louisiana Property.

(s) Insurance. The American Salt Agent shall have received evidence reasonably satisfactory to it that Sifto Louisiana shall have obtained, and there shall be in effect, insurance policies reasonably satisfactory to the American Salt Agent and its insurance advisors as to carrier, coverage and amount with respect to the operations and properties to be acquired pursuant to the Louisiana Purchase Agreement (including, without limitation, business interruption insurance.)

(t) Legal Opinions. (i) The American Salt Agent shall have received, with a counterpart for each American Salt Lender and Senior Note Holder, the executed legal opinion of Messrs. Winthrop, Stimson, Putnam & Roberts, counsel to the Transaction Parties, with respect to the borrowings under the American Salt Series B Term Loans, the American Salt Series B Term Notes, the Louisiana Acquisition, the Louisiana Collateral Mortgage Documents and such other matters reasonably requested by the American Salt Agent, in form and substance reasonably satisfactory to the American Salt Agent and the Majority Senior Note Holders.

(ii) Each Credit Agent shall have received, with a counterpart for each Lender for which it is agent, and each Senior Note Holder shall have received, the executed legal opinion of local counsel for American Salt and Sifto Louisiana in the State of Louisiana, in form and substance reasonably satisfactory to the American Salt Agent and the Majority Senior Note Holders.

(iii) The foregoing legal opinions shall cover such matters incident to the transactions contemplated by the Louisiana Acquisition as the American Salt Agent, the Lenders and the Majority Senior Note Holders may reasonably require.

(u) Fee. The American Salt Credit Agent shall have received the fee to be paid on the American Salt Series B Term Loan Closing Date pursuant to subsection 2.15 of the American Salt Credit Agreement.

(v) Information. The American Salt Agent shall have received, with a copy for each American Salt Lender and Senior Note Holder, financial statements relating to the business and property comprising the Louisiana Property as of the most recently completed fiscal quarter, completed in accordance with generally accepted accounting principles in Canada in effect at such time and such other information with respect to the Louisiana Property as may be reasonably requested by the American Salt Agent, the Lenders and the Majority Senior Note Holders.

(w) Uses/Sources and Capitalization. The American Salt Agent and each Senior Note Holder shall have received evidence reasonably satisfactory to it that Sifto Louisiana shall have received a cash equity contribution of not less than \$150,000 on or prior to the American Salt Series B Term Loan Closing Date, and shall have confirmed to its reasonable satisfaction the reasonable sources and uses of funds with respect to the Louisiana Acquisition.

(x) Government Approval. The United States Department of Justice shall have approved of the Louisiana Acquisition and the American Salt Credit Agent, the Lenders and each Senior Note Holder shall have received reasonably satisfactory evidence to that effect.

4.3 Conditions to Each Loan, Each Letter of Credit and Each Acceptance and the Sale of the Senior Notes. The agreement of each Lender to make any Loan requested to be made by it, on any date (including, without limitation, the Initial Loans requested to be made by it and, in the case of each American Salt TL Lender, the American Salt Series B Term Loan requested to be made by it), the agreement of each Issuing Bank to open any Letter of Credit requested to be opened on any date, the agreement of each Sifto RC Lender to accept any Acceptance on any date, and the agreement of the Senior Note Holders to purchase the Senior Notes on the Closing Date, is subject to the satisfaction of the following conditions precedent as of the date such Loan, Letter of Credit or Acceptance is requested to be made, opened or accepted or such Senior Note is purchased:

(a) Representations and Warranties. Each of the representations and warranties made by the Credit Parties in or pursuant to the Credit Documents shall be

true and correct in all material respects on and as of such date as if made on and as of such date.

(b) No Default. No Default or Event of Default under either Credit Agreement or the Senior Note Purchase Agreement shall have occurred and be continuing on such date or after giving effect to the Loans, Acceptances (other than with respect to Acceptances issued pursuant to and in accordance with the provisions of subsection 3.4 or 3.5 of the Sifto Salt Credit Agreement) or the Letters of Credit requested to be made, accepted or opened, as the case may be, on such date or the Senior Notes to be purchased on such date and, in the case of the Loans, Acceptances and Letters of Credit requested to be made, accepted or opened, as the case may be, on the Closing Date, and the Senior Notes to be purchased on the Closing Date, after giving effect to the consummation of the Acquisition.

(c) Borrowing Base. In the case of any Revolving Credit Loans requested to be made, any Acceptance requested to be accepted and any Letter of Credit requested to be issued, after giving effect thereto, the sum of (in the case of Sifto Salt, the Equivalent Amount of) (a) the aggregate outstanding principal amount of the Revolving Credit Loans, (b) the aggregate amount available to be drawn under all outstanding Letters of Credit, (c) the aggregate amount of any payments made by an Issuing Bank under a Letter of Credit that have not been reimbursed and (d) the aggregate amount of all outstanding Acceptances, shall not exceed the Borrowing Base.

(d) Borrowing Certificate. (i) In the case of Loans to be made or Letters of Credit to be issued under the American Salt Credit Agreement, the American Salt Credit Agent shall have received, with a copy for each American Salt Lender, (ii) in the case of Loans to be made, Letters of Credit to be issued or Acceptances to be accepted under the Sifto Salt Credit Agreement, the Sifto Salt Agent shall have received, with a counterpart for each Sifto Salt Lender, and (iii) in the case of Senior Notes to be purchased under the Senior Note Purchase Agreement, each Senior Note Holder shall have received, a Borrowing Certificate of the relevant Borrower, dated the Closing Date or the relevant Borrowing Date, as the case may be, with appropriate insertions, satisfactory in form and substance to the Persons to whom it is delivered, duly executed and delivered by a Responsible Officer of the relevant Borrower.

(e) Additional Documents. Each Credit Agent and each Senior Note Holder shall have received each

additional document, instrument, legal opinion or item of information reasonably requested by any Credit Agent or, in the case of all Loans other than the American Salt Series B Term Loans and the Revolving Credit Loans, any Senior Note Holder and in the case of the American Salt Series B Term Loans, the Majority Senior Note Holders, including, without limitation, a copy of any debt instrument, security agreement or other material contract to which any Credit Party may be a party.

(f) Additional Matters. All corporate and other proceedings, and all documents, instruments and other legal matters in connection with the transactions contemplated by this Master Agreement, the Credit Agreements, the Notes and the other Transaction Documents shall be reasonably satisfactory in form and substance to each Agent and, in the case of all Loans other than the American Salt Series B Term Loans and the Revolving Credit Loans, each Senior Note Holder and, in the case of American Salt Series B Term Loans, the Majority Senior Note Holders, and the Credit Agents and each Senior Note Holder shall have received such other documents, legal opinions and other opinions in respect of any aspect or consequence of the transactions contemplated hereby as any Agent or, in the case of all Loans other than the American Salt Series B Term Loans and the Revolving Credit Loans, any Senior Note Holder and, in the case of American Salt Series B Term Loans, the Majority Senior Note Holders, shall reasonably request.

Each borrowing by a Borrower under its respective Credit Agreement shall constitute a representation and warranty by such Borrower as of the date of such borrowing that the conditions contained in this subsection 4.3 have been satisfied.

## SECTION 5. AFFIRMATIVE COVENANTS

Each of North American Salt, American Salt and Sifto Salt hereby agrees that, until the Repayment Date shall have occurred, (i) except in the case of subsections 5.1, 5.2 and 5.15, each of North American Salt, American Salt and Sifto Salt shall and shall cause each of its Subsidiaries to, and (ii) in the case of subsections 5.1 and 5.2, North American Salt and American Salt shall, and (iii) in the case of subsection 5.15, North American Salt shall:

5.1 Financial Statements. Furnish to each Lender and each Senior Note Holder:

(a) as soon as available, but in any event within 120 days after the end of the fiscal year of North



American Salt and American Salt ending in March, 1991 and 90 days after the end of each fiscal year of American Salt thereafter, a copy of the audited consolidated and unaudited consolidating balance sheets of each of North American Salt and American Salt and its consolidated Subsidiaries as at the end of such year and the related audited consolidated and unaudited consolidating statements of income, shareholders' equity and changes in cash flow for such year, setting forth in each case in comparative form the figures for the previous year, reported on without a "going concern" or like qualification or exception, or qualification arising out of the scope of the audit, by independent certified public accountants of nationally recognized standing reasonably acceptable to the Required Lenders and the Majority Senior Note Holders, setting forth in comparative form the figures for the previous year, certified by a Responsible Officer of North American Salt or American Salt, as the case may be, as being fairly stated in all material respects when considered in relation to the consolidated financial statements of North American Salt or American Salt and its consolidated Subsidiaries, as the case may be;

(b) as soon as available, but in any event not later than 90 days after the end of each of the first three quarterly periods of each fiscal year of North American Salt and American Salt, (i) the unaudited consolidated and consolidating balance sheets of each of North American Salt and American Salt and its consolidated Subsidiaries as at the end of each such quarter and the related unaudited consolidated and consolidating statements of income, shareholders' equity and changes in cash flow for such quarter and the portion of the fiscal year through such date, setting forth in each case in comparative form the figures for the previous year, certified by a Responsible Officer of American Salt (subject to normal year-end audit adjustments) and (ii) a statement setting forth the calculations necessary to determine "Leverage" under and as defined in each of the American Salt Credit Agreement and the Sifto Salt Credit Agreement;

(c) as soon as possible, but in any event not later than 90 days after the end of each fiscal year (beginning with the fiscal year ending in March, 1991) of North American Salt and American Salt, a statement setting forth the calculations necessary to determine "Leverage" under and as defined in each of the American Salt Credit Agreement and the Sifto Salt Credit Agreement; and

(d) as soon as available but in any event within 30 days after the end of each four-week Interim

Accounting Period in a fiscal year unaudited consolidated balance sheets, income statements and funds flow statements of American Salt and its Subsidiaries and North American Salt and its Subsidiaries, in each case for such Interim Accounting Period, certified by a Responsible Officer of American Salt (subject to normal year-end audit adjustments);

all such financial statements to be complete and correct in all material respects and to be prepared in reasonable detail and in accordance with GAAP applied consistently throughout the periods reflected therein (except as approved by such accountants or officer, as the case may be, and disclosed therein) and based on a fiscal year of North American Salt and American Salt (i) ending on the last Saturday of March in each calendar year and (ii) consisting of four thirteen-week periods divided into two four-week periods followed by one five-week period (any such four or five-week period, an "Interim Accounting Period").

5.2 Certificates; Other Information. Furnish to each Lender and each Senior Note Holder:

(a) concurrently with the delivery of the financial statements referred to in subsection 5.1(a) above, a letter of the independent certified public accountants reporting on such financial statements stating that in making the examination necessary therefor no knowledge was obtained of any Default or Event of Default, except as specified in such letter;

(b) concurrently with the delivery of the financial statements referred to in subsections 5.1(a) and (b), a certificate of a Responsible Officer of American Salt, and for each Senior Note Holder only, North American Salt, (i) stating that, to the best of such officer's knowledge, each Credit Party during such period has observed or performed all of its covenants and other agreements, and satisfied every condition, contained in this Master Agreement, the Credit Agreements, the Senior Note Purchase Agreement, the Notes, the Senior Notes and the other Credit Documents to be observed, performed or satisfied by it, and that such officer has obtained no knowledge of any Default or Event of Default except as specified in such certificate, and (ii) showing in detail the calculations supporting such statement in respect of subsections 6.1;

(c) concurrently with the delivery of the financial statements referred to in subsection 5.1(a), and as soon as available but in any event not later than 90 days after the end of each fiscal year, in each case beginning with respect to the fiscal year ending in March, 1991, a certificate of a Responsible Officer of

American Salt stating the amount of Free Cash Flow for the preceding fiscal year and showing in detail the calculations supporting such statement;

(d) as soon as available but in any event within 60 days after the end of each fiscal year, the annual business plan of North American Salt (incorporating an operating budget and projections of cash flow of each of North American Salt, American Salt and Sifto Salt), in form and containing detail reasonably acceptable to the Required Secured Parties, accompanied by a certificate of a Responsible Officer of American Salt to the effect that such officer has no reason to believe such projections are incorrect or misleading in any material respect (it being recognized by the Lenders and the Senior Note Holders that such projections as to future events are not to be viewed as facts and that actual results during the period covered may differ from the projected results);

(e) as soon as available, but in any event within 60 days after the end of each fiscal year, beginning with the fiscal year ending in March, 1991, a report prepared by the environmental compliance officer of American Salt, (i) reviewing all material developments relating to compliance by each Credit Party and Subsidiary thereof and their respective tenants with all Requirements of Environmental Law applicable to each Credit Party and Subsidiary thereof and their respective tenants, including without limitation a schedule setting forth any discharges, emissions, or other activities of each Credit Party and Subsidiary thereof and their respective tenants, reported or required to be reported to any government agency, that are in excess of any standard in any permits issued pursuant to any Requirement of Environmental Law, setting forth the amount by which the permit was exceeded, and setting forth the number of days the discharges, emissions, or other activities occurred in excess of the applicable standard; (ii) attaching all material reports from environmental consultants working for or hired by any Credit Party or Subsidiary thereof, including without limitation, any annual report of Eder Associates Consulting Engineers, P.C. concerning any property or facility owned, operated or leased by, or a source of potential liability to, any Credit Party or Subsidiary thereof; (iii) discussing the progress in the implementation of the environmental compliance program of the Credit Parties and their respective Subsidiaries (the "Environmental Compliance Program") including, but not limited to, a facility-by-facility review of, where applicable, ground water remediation, installation of equipment to control air emissions or water discharges, disposal of equipment containing polychlorinated

biphenyls, removal of asbestos-containing materials, investigation or removal of any equipment in connection with environmental concerns, storage containers or other property, remediation of landfills or other contaminated land, changes in procedures in the handling or disposal of any hazardous materials, and any other significant matters addressed in the Environmental Compliance Program; (iv) reporting on the extent to which ongoing maintenance and oversight procedures implemented under the Environmental Compliance Program were followed by each of the Credit Parties and their respective Subsidiaries during the preceding fiscal year; (v) setting forth any changes to the Environmental Compliance Program implemented during the preceding fiscal year; (vi) listing all material correspondence with, and all notices of any kind received from, any Governmental Authority having jurisdiction over any Requirement of Environmental Law and attaching copies thereof; (vii) reporting on the status of any pending or threatened litigation against any Credit Party or Subsidiary thereof pertaining to any Requirement of Environmental Law; and (viii) certified as true and correct by such environmental compliance officer;

(f) within five Business Days after the end of each two-week period (in the case of an Interim Period of four weeks) or two or three-week period (in the case of an Interim Period of five weeks) within each Interim Accounting Period, the Borrowing Base Report; provided that through and including the Interim Accounting Period ending May 26, 1990, information with respect to Eligible Inventory shall only be provided in the Borrowing Base Report delivered within five Business Days following the last day of each Interim Accounting Period;

(g) within five days after it is received by each Purchaser, a copy of the Closing Statement to be furnished pursuant to subsection 2.6 of each Purchase Agreement indicating all adjustments to the consideration paid by such Purchaser in respect of the Acquisition, in each case certified as true and correct by the Chief Financial Officer of American Salt; and

(h) promptly, such additional financial and other information as any Lender or any Senior Note Holder may from time to time reasonably request.

5.3 Payment of Obligations. Pay, discharge or otherwise satisfy at or before maturity or before they become delinquent, as the case may be, all its material obligations of whatever nature, except when (a) the amount or validity thereof is currently being contested in good faith by appropriate proceedings and reserves in conformity with GAAP with respect thereto have been provided on the books of

American Salt, Sifto Salt or North American Salt or their respective Subsidiaries, as the case may be or (b) the nonpayment thereof would not have a material adverse effect on the business, operations, property or financial or other condition of American Salt and its Subsidiaries taken as a whole.

5.4 Conduct of Business and Maintenance of Existence. Continue to engage in business of the same general type as now conducted by it and preserve, renew and keep in full force and effect its corporate existence and take all reasonable action to maintain all material rights, privileges and franchises necessary or desirable in the normal conduct of its business except as otherwise permitted pursuant to subsection 6.5, comply with all Contractual Obligations and Requirements of Law except (a) where the failure to so comply would not (A) materially adversely affect the ability of any Credit Party to perform its obligations under any of the Credit Documents to which it is a party after giving effect to the performance of the other Credit Parties under the Credit Documents or the ability of Sifto Salt to perform its obligations under the Senior Note Purchase Agreement or the Senior Notes or (B) have a material adverse effect on the rights and remedies of the Secured Parties under the Credit Documents, or (b) to the extent that failure to comply therewith would not, in the aggregate, have a material adverse effect on the business, operations, property, or financial or other condition of American Salt and its Subsidiaries taken as a whole.

5.5 Maintenance of Property; Insurance. Keep all property useful and necessary in its business in good working order and condition, except to the extent that the failure to do so would not have a material adverse effect on the business, operations, property or financial or other condition of American Salt and its Subsidiaries taken as a whole or on the value of the Collateral; maintain with financially sound and reputable insurance companies insurance on all its property in at least such amounts and against at least such risks (but including in any event public liability, product liability and business interruption) as are usually insured against in the same general area by companies engaged in the same or a similar business; and furnish to each Lender and each Senior Note Holder, upon written request, full information as to the insurance carried.

5.6 Inspection of Property; Books and Records; Discussions. Keep proper books of records and account in which full, true and correct entries in all material respects in conformity with GAAP and all Requirements of Law shall be made of all dealings and transactions in relation to its business and activities; and upon reasonable notice from any Credit Agent or any Senior Note Holder, permit

representatives of any Lender or any such Senior Note Holder to visit and inspect any of its properties and examine and make abstracts from any of its books and records at any reasonable time and as often as may reasonably be desired, and to discuss the business, operations, properties and financial and other condition of the Credit Parties with officers of the Credit Parties and upon reasonable notice to American Salt, permit representatives of the Agents or any such Senior Note Holder to meet with the independent certified public accountants of the Credit Parties.

5.7 Notices. Promptly give notice to each Credit Agent and each Senior Note Holder:

(a) of the occurrence of any Default or Event of Default;

(b) of any (i) default or event of default under any Contractual Obligation of American Salt, Sifto Salt or North American Salt or any of their respective Subsidiaries or (ii) litigation, investigation or proceeding which may exist at any time between American Salt, Sifto Salt or North American Salt or any of their respective Subsidiaries and any Governmental Authority, which in either case, if not cured or if adversely determined, as the case may be, in the reasonable judgment of a Responsible Officer of American Salt or North American Salt would have a material adverse effect on the business, operations, property, or financial or other condition of American Salt and its Subsidiaries taken as a whole;

(c) of any litigation or proceeding involving American Salt or any of its Subsidiaries in which the amount involved is \$1,000,000 or more and not covered by insurance or in which injunctive or similar relief is sought or of any litigation or proceeding known to a Responsible Officer of a Credit Party which, if adversely determined, would have a material adverse effect on the business, operations, property or financial or other condition of American Salt and its Subsidiaries taken as a whole;

(d) of the following events, as soon as possible and in any event within 30 days after any Credit Party knows or has reason to know thereof: (i) the occurrence or expected occurrence of any Reportable Event with respect to any Plan, or any withdrawal from, or the termination, Reorganization or Insolvency of any Multiemployer Plan; (ii) the institution of proceedings or the taking of any other action by the PBGC or any Credit Party or any Commonly Controlled Entity or any Multiemployer Plan with respect to the withdrawal from, or the termination, Reorganization or Insolvency of, any

Plan; (iii) the occurrence of an event requiring a Credit Party or any Commonly Controlled Entity to provide security to a Plan under Section 401(a)(29) of the Code; (iv) the occurrence of any "prohibited transaction," as such term is defined in Section 4975 of the Code or in Section 406 of ERISA, in connection with any Plan or any trust created thereunder; (v) a Credit Party or a Code Affiliate fails to make a required installment under Section 412(m) of the Code or any other payment required under Section 412 of the Code or to pay any amount or amounts which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA on or before the due date; (vi) any application is filed by a Credit Party or a Code Affiliate for a waiver of the minimum funding standard under Section 412 of the Code or Section 302 of ERISA; and

(e) of any notice reasonably believed to be material by a Responsible Officer of a Credit Party from, or any correspondence reasonably believed to be material by a Responsible Officer of a Credit Party with, any Governmental Authority having jurisdiction over any Requirement of Environmental Law; for purposes of this provision, and without limitation of the foregoing, any of the following shall be conclusively treated as material insofar as it concerns any Requirement of Environmental Law and is addressed to any Credit Party or Subsidiary thereof: (i) any notice commencing a legal proceeding (including a judicial or administrative proceeding or an arbitration) or seeking in a previously commenced legal proceeding relief that was not previously sought or relief that was not being actively pursued prior to the Closing Date; (ii) any order, judgment, or ruling, final or otherwise, determining liability for damages, declaratory or injunctive relief, or any other form of relief; (iii) any written communication to or from any state, federal, or other governmental agency or any private entity raising the possibility of liability under the Comprehensive Environmental Response, Compensation, and Liability Act or analogous law; or (iv) any written communication from any governmental agency requesting, proposing, requiring, or imposing a fine, penalty, damages, or any measures;

(f) of claims exceeding \$100,000 that are made under indemnities in agreements or any dispute reasonably believed to be material by a Responsible Officer of a Credit Party with any Person contractually obligated to indemnify any of North American Salt, American Salt or Sifto Salt or any of their respective Subsidiaries for any obligation or potential obligation, or any part thereof, to a Credit Party or Subsidiary thereof for any liability, potential liability, or

defense thereof under any Requirement of Environmental Law; and

(g) of a material adverse change in the business, operations, property, or financial or other condition of American Salt and its Subsidiaries taken as a whole.

Each notice pursuant to this subsection shall be accompanied by a statement of a Responsible Officer of American Salt setting forth details of the occurrence referred to therein and stating what action American Salt or the Commonly Controlled Entity, if applicable, pursuant to subsection (d), proposes to take with respect thereto.

5.8 Allocation of Asset Sale Proceeds. Subject to subsection 7.9, if during any fiscal year, either Borrower or any of each of their Subsidiaries shall sell any assets (other than in respect of sales permitted by subsection 6.6(a)-(e)), American Salt, on behalf of such Borrower, shall notify the Intercreditor Agent (on behalf of the Credit Agents) and each Senior Note Holder on or prior to the date of such sale of the amount of Net Cash Proceeds realized (or reasonably believed to be realizable) from such sale. The Majority Senior Note Holders shall notify American Salt and the Intercreditor Agent no later than 11:00 a.m., New York City time, on the third Business Day following the date of receipt of such notice whether the Senior Note Holders have elected to receive their aggregate Allocable Share of such Net Cash Proceeds (any failure by the Majority Senior Note Holders to so notify American Salt and the Agent by such time being deemed to be an election by the Majority Senior Note Holders to receive its Allocable Share thereof). On the earlier of (i) the date on which American Salt receives notice from the Majority Senior Note Holders whether they elect to receive their Allocable Share of such Net Cash Proceeds (but not prior to the date of receipt of the Net Cash Proceeds for such sale) and (ii) the fourth Business Day following the date of receipt of the Net Cash Proceeds for such sale, subject to the proviso in subsection 2.16(c) of the American Salt Credit Agreement, American Salt shall pay to the American Salt Credit Agent (on behalf of the American Salt TL Lenders) an amount equal to the Allocable Share of the American Salt TL Lenders of such Net Cash Proceeds, and subject to the proviso in subsection 2.11(d) of the Sifto Salt Credit Agreement, Sifto Salt (A) shall pay to the Sifto Salt Credit Agent (on behalf of the Sifto Salt TL Lenders) an amount equal to the Allocable Share of the Sifto Salt TL Lenders of such Net Cash Proceeds and (B) shall pay to each Senior Note Holder, if the Majority Senior Note Holders shall have elected to receive their aggregate Allocable Share of such Net Cash Proceeds, an amount equal to the Allocable Share of each such Senior Note Holder of such Net Cash Proceeds. Amounts paid to the Credit Agents pursuant to this subsection shall be applied to the Term Loans as provided in



subsection 2.16(c) of the American Salt Credit Agreement and subsection 2.11(d) of the Sifto Salt Credit Agreement, respectively. Amounts paid to the Senior Note Holders shall be applied to repayment of the Senior Notes as provided in subsection 2.04(b) of the Senior Note Purchase Agreement.

**5.9 Allocation of Insurance Proceeds.** If during any fiscal year, there shall be paid insurance proceeds in respect of any casualty, loss or damage to either Borrower or any of either of their Subsidiaries aggregating in excess of \$500,000, promptly following payment of such insurance proceeds to the Intercreditor Agent as loss payee, the Intercreditor Agent shall notify the TL Lenders and the Senior Note Holders of the receipt and amount of such insurance proceeds and whether the Borrowers have requested that such insurance proceeds be paid to the Borrower or the Subsidiary of either Borrower which suffered such casualty loss or damage and the use for such insurance proceeds identified by such Borrower or such Subsidiary. Such insurance proceeds shall be applied to repayment of the Term Loans and the Senior Notes as provided in this subsection 5.9 unless the Required Secured Parties shall consent to all or any portion of such insurance proceeds being paid to or retained by the Borrower or the Subsidiary of either Borrower which has suffered such casualty loss or damage for the purpose specified in, and subject to the terms of, such consent. The Majority Senior Note Holders shall notify American Salt (on behalf of the Borrowers and their Subsidiaries) and the Intercreditor Agent promptly following receipt from the Intercreditor Agent of notice that all or a portion of such insurance proceeds shall be applied to repayment of the Term Loans and the Senior Notes whether the Senior Note Holders elect to receive their Allocable Share of such insurance proceeds. Promptly following receipt by the Intercreditor Agent of notice of such election from the Majority Senior Note Holders, the Intercreditor Agent shall pay to (a) the American Salt Credit Agent (on behalf of the American Salt TL Lenders) an amount equal to the Allocable Share of the American Salt TL Lenders of such insurance proceeds, (b) the Sifto Salt Credit Agent (on behalf of the Sifto Salt TL Lenders) an amount equal to the Allocable Shares of the Sifto Salt TL Lenders of such insurance proceeds and (c) to the Senior Note Holders if the Majority Senior Note Holders shall have elected that the Senior Note Holders receive their Allocable Shares of such insurance proceeds an amount equal to the Allocable Shares of each such Senior Note Holder of such insurance proceeds. Amounts paid to the Credit Agents pursuant to this subsection shall be applied to the Term Loans as provided in subsection 2.16(d) of the American Salt Credit Agreement and subsection 2.11(e) of the Sifto Salt Credit Agreement, respectively. Amounts paid to the Senior Note Holders shall be applied to repayment of the Senior Notes as provided in subsection 2.04(c) of the Senior Note Purchase Agreement.

5.10 Interest Protection Agreement. No later than the earlier of ninety days following the Closing Date and five days following the date on which the yield on new issues of three-year U.S. Treasury notes exceeds 8.5%, enter into Interest Protection Agreements having terms reasonably acceptable to the Required Secured Parties in respect of not less than 50% of the outstanding balance of the sum of the American Salt Term Loans and the Sifto Salt Term Loans as such amount is increased or reduced from time to time based on the making of the American Salt Series B Term Loans and the scheduled repayments of installments of the American Salt Term Loans and the Sifto Salt Term Loans.

5.11 Change of Name. No later than 15 days following the Closing Date, 855715 Ontario Limited shall change its name to Sifto Canada Inc., and each Credit Agent and each Senior Note Holder shall have received evidence satisfactory to it to that effect.

5.12 Prudential Placement Memorandum. No later than 15 days following the date on which Prudential shall have provided American Salt with a substantially complete draft of a Prudential Placement Memorandum, American Salt, after consultation with Prudential, shall provide Prudential with a final version of the Prudential Placement Memorandum, certified by a Responsible Officer of North American Salt, American Salt and Sifto Salt as being true, complete and correct in all material respects.

5.13 Information Memorandum. No later than 15 days following the date on which Barclays PLC shall have provided American Salt with a substantially complete draft of an Information Memorandum, American Salt, after consultation with Barclays PLC, shall provide Barclays with a final version of the Information Memorandum, certified by a Responsible Officer of American Salt as being true, complete and correct in all material respects.

5.14 Repayment of Loans to Employees. Promptly upon repayment to North American Salt of loans made to employees permitted by subsection 6.10(g), North American Salt shall repay to American Salt any advances outstanding in an amount equal to the lesser of the amount so repaid by employees and the amount of any advances from American Salt to North American Salt then outstanding.

5.15 Environmental. With respect to any material liability or alleged material liability arising under any Requirement of Environmental Law, each Credit Party and Subsidiary thereof and their respective tenants shall give timely and proper notice and shall undertake any other measures necessary to ensure that it obtains any indemnification, defense, contribution, or reimbursement that

may be available for such liability or alleged liability. With respect to any act, operation, omission, or condition that may be out of compliance with, in violation of, or otherwise giving rise to material liability or potential material liability under, any Requirement of Environmental Law, each Credit Party and Subsidiary thereof shall diligently plan for and implement all measures reasonably necessary and appropriate to eliminate such act, operation, omission, or condition as a source of liability or potential liability.

5.16 Tax Sharing Agreement. No later than 60 days following the Closing Date, North American Salt, American Salt and each Subsidiary Guarantor shall have entered into a tax-sharing agreement in form and substance satisfactory to the Credit Agents and each Senior Note Holder and their respective counsel (the "Tax Sharing Agreement"). The Credit Parties party to the Tax Sharing Agreement hereby agree not to amend or modify the terms of the Tax Sharing Agreement without the written consent of the Credit Agents and the Majority Senior Note Holders, such consent not to be unreasonably withheld.

5.17 Pledge of Moab Salt Stock. If American Salt shall not have sold all of the Capital Stock of Moab Salt on or prior to December 31, 1990, within 30 Business Days thereafter execute a stock pledge agreement with respect to such Capital Stock in favor of the U.S. Collateral Agent on terms and conditions reasonably satisfactory to the U.S. Collateral Agent, together with a stock certificate or stock certificates representing all of the pledged stock thereunder and an undated stock power for each such certificate, duly endorsed in blank.

5.18 GSL Coordination Agreement. North American Salt agrees that it will enter into an agreement with HCC and Great Salt Lake ("Coordination Agreement") no later than April 16, 1990, and in form and substance reasonably satisfactory to the Required Secured parties, providing in substance that neither HCC nor GSL shall incur any indebtedness in excess of \$250,000 ("Post Closing Debt") except pursuant to an agreement containing provisions substantially similar to Section 4.8 of the GSL Agreement (as defined in Section 8.11), which Coordination Agreement shall expressly state that any amendments or waivers of the provisions thereof shall require the consent of the Required Secured Parties; provided only that reciprocal provisions are included herein with respect to such Post Closing Debt substantially similar to the provisions of Section 8.11.

## SECTION 6. NEGATIVE COVENANTS

Each of North American Salt, American Salt and Sifto Salt hereby agrees that, until the Repayment Date, none of North American Salt (except with respect to subsection 6.1), American Salt nor Sifto Salt (except with respect to subsection 6.1) shall, and none of American Salt nor Sifto Salt nor North American Salt shall permit any of their Subsidiaries (except with respect to subsection 6.1 and provided that each of HCC, Harris Acquisition and Great Salt Lake shall not constitute a Subsidiary of North American Salt for any purposes of this Section 6 (but shall constitute an Affiliate or Commonly Controlled Entity or Code Affiliate, as appropriate) to, and, with respect to subsection 6.18, permit any Commonly Controlled Entity or Code Affiliate to, directly or indirectly:

### 6.1 Financial Condition Covenants.

(a) Debt Service Coverage. Permit (i) EBITDA less Permitted Capital Expenditures actually made during the period for which Debt Service Coverage is being measured, divided by (ii) the sum of Interest Expense for such period and scheduled principal repayments of the Term Loans for such period ("Debt Service Coverage"), to be less than (A) for the fiscal quarter ended June, 1990, 0.75, (B) for the two fiscal quarters ended September, 1990, 0.80, (C) for the three fiscal quarters ended December, 1990, 0.90, (D) for the four fiscal quarters ended March 1991, 1.05, and (E) thereafter, for each twelve-month period ending on the last day of any fiscal quarter (1) for any fiscal quarter ending in fiscal year 1992, 1.10, (2) for any fiscal quarter ending in fiscal year 1993, 1.20, (3) for each fiscal quarter ending thereafter, 1.25; provided, that from the quarter after the American Salt Series B Term Loan Closing Date (if such date is to occur), Debt Service Coverage shall not be less than (A) for the fiscal quarter ended June, 1990, 0.75, (B) for the two fiscal quarters ended September, 1990, 0.80, (C) for the three fiscal quarters ended December, 1990, 0.90 (D) for the four fiscal quarters ended March 1991, 1.00, and (E) thereafter, for each twelve-month period ending on the last day of any fiscal quarter (1) for any fiscal quarter ending in fiscal year 1992, 1.05, (2) for any fiscal quarter ending in fiscal year 1993, 1.15, ending and (3) for each fiscal quarter ending thereafter, 1.25.

(b) Maintenance of Current Ratio. Permit the ratio of Consolidated Current Assets to Consolidated Current Liabilities at the end of any fiscal quarter to be less than 1.75 to 1.00.

(c) Maintenance of Consolidated Tangible Net Worth. Permit Consolidated Tangible Net Worth (i) as at the Closing Date, June 30, 1990 or the last day of each fiscal

year, as the case may be, to be less than the amount set forth opposite such date in the column marked "As of Fiscal Year-End" in the table below and (ii) as at any time during the relevant fiscal year, to be less than the amount set forth opposite such fiscal year in the column marked "Fiscal Year":

<u>Date/Year</u>	<u>As of Fiscal Year-End</u>	<u>Fiscal Year</u>
Closing Date	\$ (2,000,000)	N.A.
June 30, 1990	(3,500,000)	
1991	1,000,000	\$ (5,000,000)
1992	5,000,000	(1,500,000)
1993	10,000,000	2,000,000
1994	16,000,000	8,000,000
1995	20,000,000	15,000,000
1996 and thereafter	20,000,000	20,000,000

provided, that from and after the American Salt Series B Term Loan Closing Date (if such date is to occur), Consolidated Tangible Net Worth (i) as at the last day of each fiscal year shall not be less than the amount set forth opposite such year in the column marked "As of Fiscal Year-End" in the table below, (ii) as at any time during the relevant fiscal year, to be less than the amount set forth opposite fiscal year in the column marked "Fiscal Year" in the table below and (iii) on June 30, 1990, to be less than the amount set forth opposite such date in the column marked "As of Fiscal Year-End":

<u>Date/Year</u>	<u>As of Fiscal Year-End</u>	<u>Fiscal Year</u>
June 30, 1990	\$ (6,000,000)	
1991	(2,500,000)	\$ (10,000,000)
1992	2,000,000	(6,000,000)
1993	8,000,000	(1,000,000)
1994	17,000,000	5,000,000
1995	20,000,000	14,000,000
1996 and thereafter	20,000,000	20,000,000

(d) Interest Coverage. Permit EBITDA less Permitted Capital Expenditures actually made during the period for which Interest Coverage is being measured, divided by Interest Expenses ("Interest Coverage") to be less than (A) for the fiscal quarter ended June 1990, 0.75, (B) for the two fiscal quarters ended September 1990, 0.90, (C) for the three fiscal quarters ended December 1990, 1.25, (D) for the four fiscal quarters ended March 1991, 1.40, and (E) thereafter for each twelve-month period ending on the last day of any fiscal quarter, 1.50; provided, that from the quarter after the American Salt Series B Term Loan Closing Date (if such date is to occur), Interest Coverage shall not

be less than (A) for the fiscal year ended June 1990, 1.00, (B) for the two fiscal quarters ended September 1990, 1.00, (C) for the three fiscal quarters ended December 1990, 1.00, (D) for the four fiscal quarters ended March 1991, 1.35, and (E) thereafter, for each twelve-month period ending on the last day of any fiscal quarter, 1.50.

(e) Leverage Ratio. Permit the ratio of (i) the sum of (A) the aggregate outstanding principal amount of the Loans and Senior Notes plus the aggregate face amount of all Acceptances plus the aggregate face amount of all outstanding Letters of Credit over (ii) the sum of (A) Consolidated Tangible Net Worth plus (B) the aggregate outstanding principal amount of the Subordinated Notes plus (C) the aggregate outstanding principal amount of the Existing Note, (the foregoing ratio, "Leverage") (i) as at the last day of each fiscal year, to be greater than the amount set forth opposite such date in the column marked "As of Fiscal Year-End" in the table below and (ii) as at any time during any fiscal year, to be greater than the amount set forth opposite such fiscal year in the column marked "Fiscal Year" in the table below:

<u>Year</u>	<u>As of Fiscal Year-End</u>	<u>Fiscal Year</u>
1991	2.00	2.75
1992	1.75	2.60
1993	1.50	2.25
1994	1.15	1.75
1995 and thereafter	1.00	1.50

provided, that from and after the American Salt Series B Term Loan Closing Date (if such date is to occur), Leverage (i) as at March 31 of each fiscal year, shall not be greater than the amount set forth opposite such date in the column marked "As of Fiscal Year-End" in the table below and (ii) as at any time during any fiscal year, to be greater than the amount set forth opposite such fiscal year in the column marked "Fiscal Year" in the table below:

<u>Year</u>	<u>As of Fiscal Year-End</u>	<u>Fiscal Year</u>
1991	2.35	3.00
1992	2.00	2.75
1993	1.75	2.25
1994	1.35	2.00
1995 and thereafter	1.00	1.50

6.2 Limitation on Indebtedness. Create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness of American Salt and Sifto Salt in respect of the Loans, the Notes, the Letters of Credit and other obligations of American Salt and Sifto Salt under the Credit Documents or any Permitted Refinancing;

(b) Indebtedness of Sifto Salt in respect of the Senior Notes;

(c) Indebtedness of American Salt in respect of the Subordinated Notes and the Existing Note;

(d) Indebtedness of American Salt to Sifto Salt and of Sifto Salt to American Salt;

(e) Indebtedness of American Salt and Sifto Salt under Financing Leases in an aggregate principal amount not exceeding in the aggregate \$5,000,000 at any one time outstanding;

(f) Indebtedness of American Salt in respect of the General Host Debt;

(g) Indebtedness under Interest Protection Agreements contemplated by subsection 5.10; and

(h) without duplication, Indebtedness secured by Liens permitted under subsection 6.3.

6.3 Limitation on Liens. Create, incur, assume or suffer to exist any Lien upon any of its interests in any property, assets or revenues, whether now owned or hereafter acquired, except for:

(a) Liens for taxes not yet due or which are being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of North American Salt, American Salt or Sifto Salt or their respective Subsidiaries, as the case may be, in conformity with GAAP;

(b) carriers', warehousemen's, mechanics', materialmen's, repairmen's, or other like Liens arising in the ordinary course of business and not overdue for a period of more than 90 days or which are being contested in good faith by appropriate proceedings in a manner which will not jeopardize or diminish the interest of either Collateral Agent in any of the Collateral;

(c) pledges or deposits in connection with workers' compensation, unemployment insurance and other social security legislation;

(d) deposits to secure the performance of bids, trade contracts (other than for borrowed money), leases, statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(e) easements, rights-of-way, restrictions and other similar encumbrances incurred in the ordinary course of business which, in the aggregate, are not substantial in amount and which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of North American Salt or American Salt or Sifto Salt or their respective Subsidiaries;

(f) Liens in favor of the Collateral Agents created pursuant to the Security Documents;

(g) Liens created in connection with Financing Leases permitted by subsection 6.2(e), provided that such Liens do not at any time encumber any property other than the property financed by such Financing Lease and the amount of such Financing Lease is not increased;

(h) Liens set forth on Schedule B, Part II to the title insurance policies and as set forth in opinions delivered pursuant to subsection 4.1(nn);

(i) Any Liens for unpaid royalties not then due pursuant to mineral leases running in favor of governmental authorities;

(j) Vendor Liens incurred in the normal course of business in an aggregate amount not to exceed \$50,000 at any one time;

(k) Liens in respect of judgments or decrees not constituting an Event of Default under Section 4(m) of the American Salt Credit Agreement, Section 5(1) of the Sifto Salt Credit Agreement or Section 6.01(m) of the Senior Note Purchase Agreement; and

(l) Liens in existence on the Closing Date and not otherwise included in subparts (a) through (i), and (k) above, and listed on Schedule 11 hereto.



6.4 Limitation on Guarantee Obligations. Create, incur, assume or suffer to exist any Guarantee Obligation except:

(a) Guarantee Obligations in respect of the Guarantees or guarantees related to Permitted Refinancings on substantially the same terms as the Guarantees;

(b) Guarantee Obligations arising out of the Purchase Agreements;

(c) guarantees or obligations to guarantee existing on the Closing Date and set forth on Schedule 1;

(d) Guarantee Obligations of the Borrowers in respect of an Interest Protection Agreement; and

(e) Guarantee Obligations of North American Salt guaranteeing the obligations of American Salt with respect to the Port of Milwaukee lease;

(f) the Salt Supply Agreement, dated March 3, 1989, between American Salt and Great Salt Lake; and

(g) the Subordinated Subsidiaries Guarantee, the Sifto Salt Subordinated Guarantee, the North American Salt Subordinated Guarantee and the Sifto Louisiana Subordinated Guarantee.

6.5 Limitations on Fundamental Changes. Enter into any transaction of acquisition or merger or consolidation or amalgamation, or liquidate, wind up or dissolve itself (or suffer any liquidation or dissolution), or convey, sell, lease, assign, transfer or otherwise dispose of, all or substantially all of its property, business or assets, sell or otherwise dispose of, or part with control of, any shares of stock or any Indebtedness of any Subsidiary (except to American Salt or Sifto Salt (subject to the restrictions of subsection 6.10 and 6.13)) or make any material change in the present method of conducting business, except:

(a) other than Hutchinson and Northern, any Subsidiaries of American Salt or Sifto Salt may be merged or consolidated with or into American Salt or Sifto Salt (provided that American Salt or Sifto Salt shall be the continuing or surviving corporation) or with or into any one or more wholly-owned Subsidiaries of American Salt or Sifto Salt (provided that the wholly-owned Subsidiary shall be the continuing or surviving corporation) provided, that no Subsidiary of American Salt (other than Sifto Salt or a Subsidiary of

Sifto Salt) may merge or consolidate with or into Sifto Salt or a Subsidiary thereof and no Subsidiary of Sifto Salt may merge or consolidate with or into American Salt or any Subsidiary thereof (other than Sifto Salt or a Subsidiary Sifto Salt), provided further, that Sifto Salt and American Salt may not merge with or consolidate into each other;

(b) any wholly-owned Subsidiary of American Salt or Sifto Salt may sell, lease, transfer or otherwise dispose of any or all of its assets (upon voluntary liquidation or otherwise) to American Salt or Sifto Salt or a wholly-owned Subsidiary of American Salt (other than Hutchinson and Northern) or Sifto Salt that is a Guarantor; and

(c) Harris Acquisition may acquire and merge with HCC provided, that Harris Acquisition shall be the continuing or surviving corporation.

6.6 Limitation on Sale of Assets. Convey, sell, lease, assign, transfer or otherwise dispose of, any of its property, business or assets (including, without limitation, receivables and leasehold interests) whether now owned or hereafter acquired except:

(a) obsolete or worn out property disposed of in the ordinary course of business;

(b) the sale of inventory in the ordinary course of business;

(c) the sale or discount without recourse of accounts receivable arising in the ordinary course of business in connection with the compromise or collection thereof;

(d) as permitted by subsection 6.5(b);

(e) the sale of all of the Capital Stock of Moab Salt owned by American Salt, provided that such sale shall be consummated by December 31, 1990;

(f) the sale of the two Kansas rock salt mines referred in the letter of the U.S. Department of Justice dated March 9, 1990 concerning the review of the acquisition of Carey Salt and matters related thereto (the "Kansas Mines"); and

(g) in any period of 12 consecutive fiscal months, the sale of (i) up to 10% of the consolidated assets of American Salt and its Subsidiaries (determined by reference to the book value of said assets) or (ii) business, property or assets which contributed 10% or

less of net annual average EBITDA in any consecutive four quarters in the twelve most recent fiscal quarters, provided that the proceeds of any such sale (other than the sale of Moab Salt as set forth in subparagraph (e) above) are applied to prepay the Loans and/or the Senior Notes as provided in subsection 5.8.

6.7 Limitation on Leasing. Lease any of its non-real property assets, whether now owned or hereafter acquired, whether pursuant to a Financing Lease or an operating lease, except leases of equipment existing on the Closing Date or any renewal or reissuance of leases of such equipment and listed on Schedule 10.

6.8 Limitation on Dividends, Etc. Declare any dividend (other than dividends payable solely in its common stock) on, or make any payment on account of, or set apart assets for a sinking or other analogous fund for the purchase, redemption, defeasance, retirement or other acquisition of, any shares of any class of stock of any Credit Party, whether now or hereafter outstanding, or make any other distribution in respect thereof, either directly or indirectly, whether in cash or property or in obligations of American Salt, Sifto Salt or North American Salt, or any Subsidiary, other than:

(a) dividends from Sifto Salt to American Salt;

(b) with respect to North American Salt, dividends declared on the PIK Preferred Stock in accordance with its terms;

(c) with respect to American Salt, so long as no Default or Event of Default shall have occurred and be continuing or result therefrom, dividends to North American Salt in an amount not to exceed, with respect to any fiscal year, the lesser of (A) the amount of Remaining Free Cash Flow in such fiscal year provided, that the amount of any such dividends paid with respect to such fiscal year plus the amount of any voluntary prepayments on account of the American Salt Term Loans made pursuant to subsection 2.16(a) of the American Salt Credit Agreement during the fiscal year following such fiscal year, shall not exceed the Remaining Cash Flow for such fiscal year, (B) the amount by which the maximum amount of cash dividends to be paid in such fiscal year in respect of the PIK Preferred Stock exceeds the amount of dividends paid by Great Salt Lake to North American Salt in respect of the GSL Preferred Stock in such fiscal year, any dividend payable to North American Salt under this subsection 6.8(b) to be paid no earlier than the date on which the financial statements of American Salt for the fiscal year in respect of which

such dividends are paid are delivered to the Lenders and the Senior Note Holders pursuant to subsection 5.1;

(d) with respect to American Salt, dividends to North American Salt in an amount not to exceed \$20,000 in any fiscal year (reduced by the amount of any advances to North American Salt pursuant to subsection 6.10(c) in such fiscal year), to provide North American Salt with a source of funds for the payment of the cost of certain ministerial functions to be performed by North American Salt;

(e) to an employee of North American Salt or either Borrower in connection with a repurchase of shares of common stock held by such employee pursuant to an agreement providing for the repurchase of such shares upon termination of such employee's employment, so long as such employee is not a member of the Harris Group, not to exceed \$500,000 in the aggregate; and

(f) with respect to the fiscal year ending March 31, 1991, dividends from American Salt to North American Salt to provide North American Salt with a source of funds for the payment of certain costs associated with the Acquisition that would otherwise be paid by the Borrowers.

6.9 Limitation on Capital Expenditures. Make or commit to make (by way of the acquisition of securities of a Person or otherwise) any expenditures in respect of the purchase or other acquisition of fixed or capital assets (other than with respect to the Louisiana Acquisition) (excluding any such asset acquired in connection with normal replacement and maintenance programs properly charged to current operations) except for expenditures in the ordinary course of business not exceeding, in the aggregate for American Salt and its Subsidiaries during the fiscal years of American Salt and its Subsidiaries set forth below, the following:

<u>Fiscal Year Ending in March of</u>	<u>Amount</u>
1991	\$5,715,000
1992	6,130,000
1993	6,294,000
1994	6,455,000
1995	6,623,000
1996	6,792,000
1997	6,972,000
1998	7,155,000

provided that, from and after the American Salt Series B Term Loan Closing Date (if such date is to occur), such expenditures in the ordinary course of business shall not exceed, in the aggregate for American Salt and its Subsidiaries during the fiscal years of American Salt and its Subsidiaries set forth below, the following:

<u>Fiscal Year Ending in March of</u>	<u>Amount</u>
1991	\$5,660,000
1992	6,080,000
1993	6,248,000
1994	6,413,000
1995	6,585,000
1996	6,760,000
1997	6,944,000
1998	7,133,000

provided, that up to 50% of any such amount if not so capitalized in the fiscal year for which it is permitted above, may be carried over for expenditure in the next following fiscal year but not thereafter, any amount so carried forward to be presumed to be expended prior to any amounts otherwise permitted in any fiscal year are expended (capital expenditures permitted by this subsection 6.9, "Permitted Capital Expenditures"); and provided further that the amount of any insurance proceeds received in respect of any casualty loss or damage in an aggregate amount not to exceed \$500,000 in any fiscal year may be spent to make capital expenditures without regard to the foregoing limitations.

6.10 Limitation on Investments, Loans and Advances. Make any advance, loan, extension of credit or capital contribution to, or purchase any stock, bonds, notes, debentures or other securities of, or make any other investment in, any Person, except:

- (a) extensions of trade credit in the ordinary course of business;

(b) investments in Cash Equivalents;

(c) loans and advances by American Salt to North American Salt in an amount not to exceed \$20,000 in any fiscal year (reduced by the amount of any dividends paid to North American Salt pursuant to subsection 6.8(d) in such fiscal year) to provide North American Salt with a source of funds for the payment of the cost of certain ministerial functions to be performed by North American Salt;

(d) (i) loans and advances (A) by Sifto Salt to American Salt and any Subsidiary Guarantor (other than Hutchinson and Northern), (B) by each Subsidiary Guarantor to American Salt, Sifto Salt and any other Subsidiary Guarantor (other than Hutchinson and Northern) and (C) by American Salt to Sifto Salt and any Subsidiary Guarantor (other than Hutchinson and Northern) and (ii) capital contributions by American Salt to Sifto Salt and by North American Salt to Sifto Louisiana in the amount of \$150,000;

(e) an investment by North American Salt not to exceed \$12,000,000 (plus accrued dividends) in Great Salt Lake;

(f) loans and advances to employees of American Salt or Sifto Salt or their respective Subsidiaries for reasonable travel, entertainment and relocation expenses in the ordinary course of business; or

(g) loans by American Salt to North American Salt in an amount not to exceed \$1,000,000 to permit certain employees of American Salt to purchase Capital Stock of North American Salt and make payments of taxes and other expenses in connection therewith.

6.11 Limitation on Optional Payments and Modification of Debt Instruments. (a) Make any optional payment or prepayment on or redemption of any Indebtedness (other than Indebtedness pursuant to the Credit Agreements, the Existing Note, the General Host Debt, the Senior Note Purchase Agreement or a Permitted Refinancing), (b) amend, modify or change, or consent or agree to any amendment, modification or change, to any of the terms of any such Indebtedness (other than Permitted Refinancings) which would shorten the maturity or increase the amount of any payment of principal thereof, increase the interest rate or premium payable thereon, increase the amount of fees payable with respect thereto, shorten the scheduled or unscheduled amortization thereof, or change the final maturity thereof, (c) amend any Capitalization Document without the written consent of the Required Lenders, such consent not to be

unreasonably withheld or (d) make any payment in violation of the subordination provisions applicable to Subordinated Debt.

6.12 Rights under Other Agreements. Waive or otherwise relinquish any of its rights or causes of action under or arising out of the Purchase Agreements; or amend or consent to the amendment of the Purchase Agreements, the PIK Preferred Stock, the GSL Preferred Stock, the Key Employment Contracts or the Tax Sharing Agreement.

6.13 Transactions with Affiliates. Enter into any transaction (other than, in the case of the Borrowers, transactions permitted by subsection 6.10(c)), including, without limitation, any purchase, sale, lease or exchange of property or the rendering of any service, with any Affiliate or any holder of 1% or more of any class of Capital Stock of North American Salt unless such transactions are otherwise permitted under this Master Agreement, or are upon fair and reasonable terms no less favorable to North American Salt, American Salt, Sifto Salt, or such Subsidiary, as the case may be, than it would obtain in a comparable arm's length transaction with a Person not an Affiliate or a holder of 1% or more of any class of common stock; provided, that this subsection 6.13 shall not apply to transactions between American Salt and any of its wholly owned Subsidiaries.

6.14 Sale and Leaseback. Enter into any arrangement with any Person providing for the leasing by American Salt, Sifto Salt or any of their respective Subsidiaries of real or personal property which has been or is to be sold or transferred by American Salt, Sifto Salt or such Subsidiary to such Person or to any other Person to whom funds have been or are to be advanced by such Person on the security of such property or rental obligations of American Salt, Sifto Salt or such Subsidiary.

6.15 Key Employment Contracts. Amend, modify or supplement any provision of the Key Employment Contracts to increase the compensation paid to any employee party thereto (except for annual compensation increases in the ordinary course of business approved by the board of directors of North American Salt), without the prior written consent of the Required Secured Parties.

6.16 Corporate Documents. Amend its Certificate of Incorporation.

6.17 Fiscal Year. Permit its fiscal year to end on a day other than the last Saturday in March of each year.

6.18 Employee Benefit Compliance. (a) Terminate any Plan so as to result in any material liability to PBGC, (b) engage in any "prohibited transaction" (as defined in Section 4975 of the Code and Section 406 of ERISA) involving

any Plan which would result in a material liability for an excise tax or civil penalty in connection therewith, (c) incur or suffer to exist any material "accumulated funding deficiency" (as defined in Section 302 of ERISA), whether or not waived involving any Plan, or fail to make full payment when due of all amounts which, under the provisions of any Plan or any employee pension benefit plan maintained by a Code Affiliate or to which a Code Affiliate contributes, a Credit Party or a Code Affiliate is required to pay as contributions thereto under Section 302 of ERISA or Section 412 of the Code, (d) fail to make any payments when due to any Multiemployer Plan which a Credit Party or any Commonly Controlled Entity may be required to make under any agreement relating to such Multiemployer Plan or any law pertaining thereto; (e) amend or permit a Code Affiliate to amend a Plan or an employee pension benefit plan maintained by a Code Affiliate resulting in an increase in current liability for the plan year such that either a Credit Party, or the Code Affiliate is required to provide security to such plan under Section 401(a)(29) of the Code, (f) allow or suffer to exist any event or condition which presents a material risk of incurring an unfunded material liability under any Plan or arrangement or to PBGC by reason of termination of any Single Employer Plan, or (g) incur or suffer to exist any material unfunded liabilities or any unfunded liability which does not comply with the funding requirements of the Pension Benefits Act of 1987 (Ontario) or other applicable legislation under any pension plan of Sifto Salt, or allow or suffer to exist any event or condition which presents a material risk of incurring an unfunded material liability under any pension plan or arrangement of Sifto Salt or fail to register any pension plan under and in compliance with the Income Tax Act (Canada) and the Pension Benefits Act, 1987 (Ontario).

6.19 Limitation on Negative Pledge Clauses. Enter into any agreement, other than the Capitalization Documents and any Financing Leases permitted by this Master Agreement (in which cases, any prohibition or limitation shall only be effective against the assets financed thereby), with any Person other than the Lenders pursuant hereto or pursuant to a Permitted Refinancing which prohibits or limits the ability of each of American Salt, Sifto Salt or any of their respective Subsidiaries to create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired.

6.20 Clean-up Period. During each Clean-up Period, permit the aggregate principal amount of the Revolving Credit Loans outstanding to exceed (i) for fiscal year 1991, \$22,000,000 plus the amount of the Domtar Receivable and (ii) thereafter, \$22,000,000.

6.21 Amendments to Agreements. Enter into any amendment or modification of, or waive any of the provisions



of, the Credit Agreements or the Senior Note Purchase Agreement if the effect thereof would be to (a) shorten the maturity of the Loans or Senior Notes thereunder, increase the interest rate or premium payable thereon, increase the amount of fees payable thereunder, shorten the scheduled or unscheduled amortization of the Loans or the Senior Notes, or decrease the final maturity of the Loans or Senior Notes (other than, in each case, pursuant to a Permitted Refinancing and provided that nothing contained herein shall be deemed to limit the ability of the Borrowers to make voluntary prepayments of the Loans or the Senior Notes), (b) amend the definitions of Borrowing Base, Eligible Inventory or Eligible Receivables in Schedule X or amend subsection 4.3 (such amendments relating to the advance rate and eligibility criteria for making Revolving Credit Loans against the Borrowing Base), (c) amend the provisions of subsection 5.8 or 5.9 or this subsection 6.21 of the Master Agreement or the method by which notice is deemed to be delivered pursuant to any Credit Document, subsection 2.16(c) or (d) of the American Salt Credit Agreement, subsection 2.11(d), (e) or (f) of the Sifto Salt Credit Agreement or Sections 2.04(b) or (c) of the Senior Note Purchase Agreement (such amendments relating to the sharing of certain proceeds between the Lenders and the Senior Note Holders), (d) amend the provisions of subsection 8.1 as they relate to subsection 6.11(c) (such amendments relating to the percentage vote required to effect changes to the Subordinated Note Purchase Agreement), (e) amend the provisions of subsection 6.8(c) (such amendment relating to American Salt's right in certain circumstances to pay limited dividends to North American Salt in respect of obligations under the PIK Preferred Stock), or (f) amend any provision of Section 5 of the Sifto Salt Credit Agreement, Section 4 of the American Salt Credit Agreement or Article VI of the Senior Note Purchase Agreement.

6.22 Environmental. Each Credit Party and Subsidiary thereof and their respective tenants will not permit or conduct the generation, treatment, storage or disposal of hazardous waste, as defined in the Resource Conservation and Recovery Act, or the disposal on the premises of petroleum as defined in section 101(14) of CERCLA or of any hazardous substance as defined in CERCLA, except for inventories of such substances to be used and wastes generated therefrom in the ordinary course of business (which inventories and wastes, if any, were and are stored or disposed of in accordance with applicable Requirements of Law and where any use, treatment, storage or disposal of such inventories or wastes will have no adverse impact on such Credit Party or Subsidiary or subject such Credit Party or Subsidiary to any liability, demand, claim or cost), and will perform or arrange for the performance of all remedial actions reasonably necessary as the result of the presence of any such hazardous wastes, petroleum, or hazardous substances at, on, above, beneath, near, or within the facilities,

properties, or lands owned or operated by the Credit Party or Subsidiary thereof regardless of by whom caused.

## SECTION 7. THE COLLATERAL AGENTS AND THE INTERCREDITOR AGENT

7.1 Appointments. (a) Each Lender, each Credit Agent, each Issuing Bank, each Interest Protection Party and each Senior Note Holder each (i) hereby irrevocably designates and appoints Barclays PLC as the collateral agent of such Person (in such capacity, the "U.S. Collateral Agent") under this Master Agreement and (ii) hereby irrevocably designates and appoints Barclays of Canada as the collateral agent of such Person (in such capacity, the "Canadian Collateral Agent") under this Master Agreement, and each such Person irrevocably authorizes Barclays PLC, as the U.S. Collateral Agent for such Person, and Barclays of Canada, as the Canadian Collateral Agent of such Person, to take such action on its behalf under the provisions of this Master Agreement and the Security Documents and to exercise such powers and perform such duties as are expressly delegated to the U.S. Collateral Agent or the Canadian Collateral Agent, as the case may be, by the terms of this Master Agreement and such Security Documents, together with such other powers as are reasonably incidental thereto; provided that the agency created by this subsection 7.1 in favor of the Canadian Collateral Agent shall not extend to Canadian Bank Act Security. Notwithstanding any provision elsewhere to the contrary in this Master Agreement or such Security Documents, neither the U.S. Collateral Agent nor the Canadian Collateral Agent shall have any duties or responsibilities except those expressly set forth herein and therein, or any fiduciary relationship with any Lender, either Credit Agent, either Issuing Bank or any Senior Note Holder or Interest Protection Party, and no implied covenants, functions, responsibilities, duties, obligations, or liabilities shall be read into this Master Agreement or the Security Documents or otherwise exist against the U.S. Collateral Agent or the Canadian Collateral Agent.

(b) Each Sifto Salt Lender which is a bank incorporated under the Bank Act Canada and named in Schedule I or Schedule II of the Bank Act and the Sifto Salt Issuing Bank (collectively, the "Canadian Lenders") each hereby irrevocably designates and appoints Barclays of Canada as the collateral agent of such Person (in such capacity, the "Canadian Bank Collateral Agent") under this Master Agreement in respect of Canadian Bank Act Security, and each such Person irrevocably authorizes Barclays of Canada, as the Canadian Bank Collateral Agent for such Person, to take such action on its behalf under the provisions of this Master Agreement and the Canadian Bank Act Security and to exercise such powers and perform such duties as are expressly

delegated to the Canadian Bank Collateral Agent by the terms of this Master Agreement and such Canadian Bank Act Security, together with such other powers that are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Master Agreement or such Canadian Bank Act Security, the Canadian Bank Collateral Agent shall not have any duties or responsibilities except those expressly set forth herein or therein, or any fiduciary relationship with any Canadian Lender, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Master Agreement or the Canadian Bank Act Security or otherwise exist against the Canadian Bank Collateral Agent.

(c) Each Lender, each Issuing Bank, each Credit Agent, each Senior Note Holder, each Interest Protection Party and each Collateral Agent hereby irrevocably designates and appoints Barclays PLC as the intercreditor agent of such Person (in such capacity, the "Intercreditor Agent") under this Master Agreement, and each such Person irrevocably authorizes Barclays PLC as the Intercreditor Agent for such Person, to take such action on its behalf under the provisions of this Master Agreement and the other Credit Documents, and to exercise such powers and perform such duties as are expressly delegated to the Intercreditor Agent by the terms of this Master Agreement and such other Credit Documents, together with such other powers as are reasonably incidental thereto. Notwithstanding any provision to the contrary elsewhere in this Master Agreement or such other Credit Documents, the Intercreditor Agent shall not have any duties or responsibilities except those expressly set forth herein and therein, or any fiduciary relationship with any Lender, Issuing Bank, Interest Protection Party, Senior Note Holder or other Agent, and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into this Master Agreement or the other Credit Documents or Capitalization Documents, as the case may be, or otherwise exist against the Intercreditor Agent.

7.2 Notice of Default/Set-off Notice. (a) Upon receipt by the Intercreditor Agent of a Notice of Default, the Intercreditor Agent shall immediately (i) notify American Salt (on behalf of itself and the other Credit Parties) of the receipt and contents thereof (any failure or inability to give such notice not affecting the effectiveness of such Notice of Default or any rights of the Intercreditor Agent, any Lender or any Senior Note Holder in respect of any Event of Default) and (ii) advise the Lenders and each Senior Note Holder, the Issuing Banks, the Interest Protection Parties and the other Agents of the receipt thereof. So long as such Notice of Default is in effect, the Intercreditor Agent and the Collateral Agents shall exercise the rights and remedies provided in the Security Documents and in this Master Agreement subject to the direction of the Required Secured

Parties as provided herein. The Intercreditor Agent and the Collateral Agents are not empowered to exercise any remedy hereunder or thereunder unless a Notice of Default is in effect except as permitted in the Security Documents; provided that the Collateral Agents may at any time take action for the protection of the Collateral.

(b) A Notice of Default shall become effective upon receipt thereof by the Intercreditor Agent. A Notice of Default, once effective, shall remain in effect unless and until it is cancelled as provided in subsection 7.2(c).

(c) A Notice of Default may be cancelled by the delivery of a Notice of Cancellation to the Intercreditor Agent. The Intercreditor Agent shall promptly notify American Salt (on behalf of itself and the Borrowers), the Lenders, the Senior Note Holders, the Issuing Banks, the Interest Protection Parties and the other Agents as to the receipt and contents of any such Notice of Cancellation.

(d) Upon receipt by the Intercreditor Agent of notice from any Lender that such Lender has exercised its right of set-off as provided in the Credit Agreements the Intercreditor Agent shall promptly advise the Senior Note Holders of the receipt thereof.

7.3 Enforcement of Rights in Respect of the Collateral. (a) So long as a Notice of Default shall remain in effect, (i) upon the request of the Required Secured Parties, the Collateral Agents shall, subject to subsection 7.3(b), proceed in respect of, and enforce their rights with respect to, the Collateral as specified in such request and (ii) all Net Cash Proceeds received by the Collateral Agents in respect of any sale or disposition of Collateral by the Collateral Agents shall be paid to the Intercreditor Agent for deposit in the appropriate sub-account of the Master Collateral Account to be applied in accordance with subsection 7.9.

(b) The parties acknowledge that the Canadian Bank Act Security shall secure money loaned and advances made by the Canadian Lenders and that, subject to subsection 7.9, all payments or other recoveries under the Canadian Bank Act Security shall be shared by the Canadian Lenders proportionately in accordance with their pro rata share of the aggregate Credit Exposure (as defined in the Sifto Salt Credit Agreement) of the Canadian Lenders. To the extent practicable, the Canadian Collateral Agent will make every reasonable effort to realize on all security constituted by the Canadian Security Documents (other than the Canadian Bank Act Security) (the "Other Canadian Security Documents") prior to the Canadian Bank Collateral Agent realizing on the Canadian Bank Act Security. If the Canadian Bank Act Security is enforced concurrently with the Other Canadian

Security Documents, any recoveries or payments thereon which are not specifically realized from Canadian Bank Act Security and identified as such shall be deemed to have been made under the Other Canadian Security Documents and the Proceeds thereof shall not be deposited in the Sub-account denominated "Canadian Bank Act Security" referred to in subsection 7.6. Nothing contained herein shall prohibit or restrict the right or ability of the Canadian Bank Collateral Agent or the Canadian Lenders to take at any time such actions as are necessary or desirable to preserve or protect the Canadian Bank Act Security or to realize thereon in respect of assets not effectively charged under the Other Canadian Security Documents or in the event that the Other Canadian Security Documents are determined to be invalid or unenforceable or to not constitute a valid prior charge on all or any of the assets of Sifto Salt which are subject to the Canadian Bank Act Security.

7.4 Limitation on Collateral Agents' Duty in Respect of Collateral. Beyond their duties as to the custody thereof expressly provided herein or in any Security Document and to account to the Secured Parties and the Credit Parties for moneys and other property received by them hereunder or under any Security Document, neither the Collateral Agents nor the Intercreditor Agent shall have any duty to the Credit Parties or to the Secured Parties as to any Collateral in their possession or control or in the possession or control of any of their agents or nominees (including, without limitation, any Proceeds thereof), or any income thereon or as to the preservation of rights against prior parties or any other rights pertaining thereto.

7.5 Rights of Secured Parties. Notwithstanding any other provision of this Master Agreement or any Security Document, the right of each Secured Party to receive payment of the Secured Obligations held by such Secured Party when due (whether at the stated maturity thereof, by acceleration or otherwise) or to institute suit for the enforcement of such payment on or after such due date, and the obligations of the Credit Parties to pay such Secured Obligations when due, shall not be impaired or affected by the terms of this Master Agreement or any Credit Document without the consent of such Secured Party.

7.6 The Master Collateral Account. Upon receipt of a Notice of Default, the Intercreditor Agent shall establish, and for so long thereafter as the Intercreditor Agent shall deem advisable in its sole discretion, the Intercreditor Agent shall maintain, at its offices an account which shall be entitled the "American Salt Collateral Account" (the "Master Collateral Account"). The Master Collateral Account shall contain sub-accounts (each, a "Sub-account"), denominated with the name of each Credit Party and a separate Sub-account denominated "Canadian Bank Act

Security". While a Notice of Default is in effect, all moneys which are required by this Master Agreement or any Security Document to be delivered to the Intercreditor Agent or which are received by the Intercreditor Agent or any agent or nominee of the Intercreditor Agent in respect of the Collateral or the Secured Obligations, whether in connection with the exercise of the remedies provided in this Master Agreement or any Security Document or otherwise, shall be deposited in the appropriate Sub-account in the Master Collateral Account and held by the Intercreditor Agent as part of the Collateral and applied in accordance with the terms of this Master Agreement; provided that any Proceeds of Canadian Bank Act Security shall be deposited in the Canadian Bank Act Security Sub-account and held as aforesaid.

7.7 Control of Collateral Account. All right, title and interest in and to the Master Collateral Account shall vest in the Intercreditor Agent, and funds on deposit in the Master Collateral Account shall constitute part of the Collateral. The Master Collateral Account shall be subject to the exclusive dominion and control of the Intercreditor Agent and its successors and assigns for the benefit of the Secured Parties.

7.8 Investment of Funds Deposited in Master Collateral Account. The Intercreditor Agent shall invest and reinvest moneys on deposit in the Master Collateral Account at any time in:

(a) marketable obligations of the United States having a maturity of not more than three months from the date of acquisition;

(b) marketable obligations directly and fully guaranteed by the United States having a maturity of not more than three months from the date of acquisition;

(c) bankers' acceptances and certificates of deposit and other interest-bearing obligations issued by the Intercreditor Agent or any bank organized under the laws of the United States or any state thereof with capital, surplus and undivided profits aggregating at least \$250,000,000, in each case having a maturity of not more than three months from the date of acquisition;

(d) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clauses (a), (b) and (c) entered into with the Intercreditor Agent or any bank meeting the qualifications specified in clause (c) above; and

(e) commercial paper (except commercial paper issued by North American Salt or its Affiliates) rated A-1 or the equivalent thereof by Standard & Poor's

Corporation or P-1 or the equivalent thereof by Moody's Investors Service, Inc. and maturing within three months after the date of acquisition.

All such investments and the interest and income received thereon and the net proceeds realized on the sale or redemption thereof shall be held in the Master Collateral Account as part of the Collateral. The Intercreditor Agent shall not be responsible to any Credit Party or any Secured Party for any loss or liability arising in respect of such investments (including as a result of the liquidation before maturity of any thereof), except to the extent that such loss or liability arises from gross negligence or willful misconduct.

7.9 Application of Moneys. (a) The Intercreditor Agent shall have the right at any time to apply moneys held by it in the Master Collateral Account to the payment of due and unpaid Master Agents Fees. All moneys received by the Intercreditor Agent while a Notice of Default is in effect shall, to the extent available for distribution (it being understood that the Intercreditor Agent may liquidate investments prior to maturity in order to make a distribution pursuant to this subsection 7.9), be distributed (subject to the provisions of subsections 7.9(b), (c) and 7.10) by the Intercreditor Agent on each Distribution Date in the following order of priority:

First: to the Collateral Agents and the Intercreditor Agent for any unpaid Master Agents Fees and then to any other Secured Party which has theretofore advanced or paid any Master Agents Fees an amount equal to the amount thereof so advanced or paid by such Secured Party and for which such Secured Party has not been reimbursed prior to such Distribution Date;

Second: to the Secured Parties in an amount equal to the Unpaid principal constituting, and Unpaid interest constituting the Secured Obligations then due and payable, held by the Secured Parties and, if such moneys shall be insufficient to pay such amounts in full, then pro rata (without priority of one over another) to such Secured Parties in proportion to the Unpaid amounts thereof on such Distribution Date;

Third: to the Senior Note Holders with respect to premiums on the Senior Notes;

Fourth: to the Secured Parties in an amount equal to all other sums which constitute Secured Obligations held by such Secured Parties, including without limitation and the costs and expenses of such Secured Parties and their representatives which are due and payable under the Security Documents and which constitute Secured Obligations as of such Distribution

Date, and if such moneys shall be insufficient to pay such sums in full, then pro rata to such Secured Parties in proportion to such sums; and

Fifth: to be held as part of the Collateral until the Repayment Date, whereupon any surplus or other amount then remaining shall be paid to the appropriate Credit Party, as the case may be, or its successors or assigns or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

(b) In making distributions pursuant to this subsection 7.9 on a Distribution Date, the Intercreditor Agent shall not apply to the Secured Obligations for which any Subsidiary Guarantor is liable under its Guarantee from the Sub-account of such Subsidiary Guarantor an amount which, taken together with all amounts previously paid by such Subsidiary Guarantor in respect of Secured Obligations for which such Subsidiary Guarantor is liable under its Guarantee (whether by virtue of distributions pursuant to this subsection 7.9 or otherwise) exceeds the aggregate amount of such Secured Obligations for which such Subsidiary Guarantor is liable pursuant to its Guarantee. Any amount on deposit in the Sub-account of such Subsidiary Guarantor not distributable on a Distribution Date pursuant to the preceding sentence shall remain on deposit therein until such amount shall be distributed on a Subsequent Distribution Date or until the Secured Obligations shall have been paid in full and the Commitments terminated and all Letters of Credit shall have expired or been cancelled. The Intercreditor Agent shall have no obligation to apply amounts on a Distribution Date from the respective Sub-accounts to the Secured Obligations relating thereto in any particular order but may, subject to the first sentence of this subsection 7.9(b) and to subsection 7.9(c), exhaust the amounts then in any Sub-account regardless of whether the Person associated with such Sub-account has previously made payments on such Secured Obligations while others have not.

(c) To the extent permitted by applicable law, amounts on deposit in the Canadian Bank Act Security Sub-account shall be shared among the Secured Parties as provided in subsection 7.9(a) and shall be available for distribution by the Intercreditor Agent as provided in said subsection 7.9(a); provided, that the obligations of a Credit Party to a Canadian Lender shall be deemed not to have been satisfied by receipt of payment in respect of Canadian Bank Act Security to the extent that such payment is shared among the Secured Parties. In the event that it shall not be lawful for amounts on deposit in the Canadian Bank Act Security Sub-account to be shared among all the Secured Parties as provided in subsection 7.9(a), then the amounts that the Canadian Lenders receive under subsection 7.9(a) without



regard to the amounts on deposit in the Canadian Bank Act Security Sub-account shall be reduced by the amounts received by the Canadian Lenders from the Canadian Bank Act Security Sub-account.

(d) Except as provided in the next following sentence, the Intercreditor Agent shall make all distributions payable to the Secured Parties on account of the Secured Obligations to the Credit Agents for redistribution to the Lenders, to the Senior Note Holders or to the Interest Protection Parties, as the case may be. Any distribution payable with respect to an Unpaid Secured Obligation constituting as of such Distribution Date (i) the undrawn face amount of a Letter of Credit, (ii) the unexpired face amount of an Acceptance or (iii) the Maximum Interest Protection Exposure in respect of an Interest Protection Agreement shall not be distributed on such Distribution Date, but shall instead be segregated in a separate account at the office of the Intercreditor Agent to be held therein until the Distribution Date next following the date on which any such Unpaid Secured Obligation becomes fixed or is terminated or otherwise ceases to exist. Funds segregated in an account pursuant to the preceding sentence shall be invested and reinvested by the Intercreditor Agent in accordance with subsection 7.8. On the next following Distribution Date, the Intercreditor Agent (A) shall distribute to the Secured Parties on account of any such Unpaid Secured Obligation that has become fixed all (or such portion as is required) of the amount segregated for such Secured Party, and (B) shall add to the funds to be distributed on such Distribution Date pursuant to subsection 7.9(a) (x) any portion of the amount segregated referred to in clause (A) remaining after the fixed Secured Obligation referred to therein has been paid in full and (y) any amount then segregated with respect to a Secured Obligation that has terminated or otherwise ceased to exist.

7.10 Intercreditor Agent's Calculations. In making the determinations and allocations required by subsection 7.9, the Intercreditor Agent may rely upon information supplied by the other Agents, the Lenders, the Interest Protection Parties and the Senior Note Holders as to the amount payable with respect to Secured Obligations, absent manifest error, and the Intercreditor Agent, as such, shall have no liability to any Credit Party or any Secured Party for actions taken in reliance on such information, except for its own gross negligence or willful misconduct. All distributions made by the Intercreditor Agent pursuant to subsection 7.9 shall be (absent manifest error and subject to any decree of any court of competent jurisdiction) final, and the Intercreditor Agent shall have no duty to inquire as to the application by the Secured Parties of any amounts

distributed to them. Each Secured Party hereby agrees that amounts distributed to it in accordance with subsection 7.9 shall be promptly applied by such Secured Party to reduction of the Secured Obligations held by such Secured Party.

7.11 Adjustment. If a Notice of Default shall have been delivered and be in effect, if any Secured Party shall at any time within five Business Days preceding the delivery of such Notice of Default or after the delivery of such Notice of Default receive any payment of all or part of its Credit Exposure, or interest or premium, if any thereon, or receive any Collateral in respect thereof (whether voluntarily or involuntarily, by set-off, pursuant to an Event of Bankruptcy or otherwise) other than pursuant to subsection 7.9, such Secured Party shall assign such Collateral to the appropriate Collateral Agent or transfer such payment to the Intercreditor Agent for deposit in the appropriate Sub-account for distribution pursuant to subsection 7.9; provided that the obligations of a Credit Party to such Secured Party shall be deemed not to have been satisfied by receipt of such payment or Collateral from such Credit Party to the extent of any such assignment or transfer by such Secured Party to the appropriate Collateral Agent or the Intercreditor Agent. In the event that it shall not be lawful for a Secured Party to assign such Collateral or transfer such payment to the Intercreditor Agent to be shared among all the Secured Parties as provided in subsection 7.9(a), then the amounts that such Secured Party receives under subsection 7.9(a) shall be reduced by the amount of the value of such Collateral or the amount of such payment.

7.12 Agents Fee; Expenses; Administration of Borrowing Base. (a) The Borrowers agree to pay to the Intercreditor Agent on behalf of the Agents an agency fee as set forth in a letter of even date among the Borrowers and the Agents.

(b) Subject to subsection 8.5, each Credit Party agrees to pay to the Collateral Agents and the Intercreditor Agent, from time to time upon demand, the reasonable costs and expenses of the Collateral Agents and the Intercreditor Agent (including, without limitation, the fees and disbursements and out-of-pocket expenses of such special counsel as the Collateral Agent and the Intercreditor Agent elect to retain), (i) arising in connection with the administration of this Master Agreement and each Security Document or Guarantee or the enforcement of any of the provisions hereof or thereof, or (ii) incurred or required to be advanced in connection with (A) the administration of the Collateral, (B) any advance made by the Collateral Agents or the Intercreditor Agent on behalf of any Credit Party under any Security Document or Guarantee, (C) the sale or other disposition of Collateral pursuant to any Security Document or Guarantee and (D) the preservation, protection or defense

of the rights of the Collateral Agents and the Intercreditor Agent under this Master Agreement and the Security Documents and the Guarantees and in and to the Collateral.

(c) Subject to subsection 8.5, the Borrowers will reimburse the Collateral Agents for all of their respective out-of-pocket expenses in connection with the administration of this Master Agreement and the Collateral and for personnel time charges at rates set forth in a letter of even date among the Borrowers and the Collateral Agents; provided that commencing with the fiscal year of the Borrowers beginning March 30, 1991, the amount of out-of-pocket expenses and personnel time charges relating to administration of the Borrowing Base shall not exceed \$15,000 per fiscal year unless either Collateral Agent shall determine in good faith with respect to any fiscal year that circumstances relating to the internal accounting functions of either Borrower warrant the amount of such out-of-pocket expenses exceeding \$15,000 in such fiscal year.

(d) The obligations of each Credit Party under this subsection 7.12 shall survive the termination of the other provisions of this Master Agreement.

7.13 Filing Fees, Excise Taxes, etc. To the extent permitted by applicable law, each Credit Party agrees to pay or to reimburse the Collateral Agents and the Intercreditor Agent for any and all payments made by the Collateral Agents or the Intercreditor Agent in respect of all search, filing, recording and registration fees, taxes, excise taxes and other similar imposts which may be payable or determined to be payable in respect of the execution and delivery of this Master Agreement and each Security Document and Guarantee. The obligations of each Credit Party under this subsection 7.13 shall survive the termination of the other provisions of this Master Agreement.

7.14 Indemnification by Each Credit Party. (a) Each Credit Party agrees to pay, indemnify, and hold the Collateral Agents and the Intercreditor Agent harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including, without limitation, the fees and disbursements of one U.S. counsel and, where appropriate, one Canadian counsel for the Collateral Agents and the Intercreditor Agent taken as a group) or disbursements of any kind or nature whatsoever with respect to the performance and administration of this Master Agreement and the Security Documents and Guarantees, unless arising from the gross negligence or willful misconduct of the indemnified party (including, without limitation, indemnification of the Collateral Agents and the Intercreditor Agent for liabilities of the Collateral Agents and the Intercreditor Agent for the net amount of taxes (after taking account of any deduction,

credit or other tax reduction or benefit available by reason of the imposition of any such tax) in any jurisdiction in which the Collateral Agents or the Intercreditor Agent would not otherwise be subject to tax except by reason of its acting under this Master Agreement or any Security Document or Guarantee (directly or through agents, separate collateral agents, co-collateral agents or trustees, but solely to the extent to which such tax is attributable to such action) and any filing fee or excise tax paid by a Collateral Agent or the Intercreditor Agent pursuant hereto).

(b) While a Notice of Default is in effect, in any suit, proceeding or action brought by the Collateral Agents or the Intercreditor Agent under or with respect to any contract, agreement, interest or obligation constituting part of the Collateral for any sum owing thereunder, or to enforce any provisions thereof, each Credit Party will save, indemnify and keep the Collateral Agents and the Intercreditor Agent and the other Secured Parties, and their respective agents and employees, harmless from and against all expense, loss or damage suffered by reason of any defense, setoff, counterclaim, recoupment or reduction of liability whatsoever of the obligor thereunder, arising out of a breach by any Credit Party or any of their respective Affiliates of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to or in favor of such obligor or its successors from such Credit Party, and all such obligations of each Credit Party shall be and remain enforceable against and only against each such Credit Party and shall not be enforceable against the Collateral Agents or the Intercreditor Agent or any other Secured Party, or their respective agents and employees. The agreements in this subsection 7.14 shall survive the termination of the other provisions of this Master Agreement.

7.15 Lien of Collateral Agents and Intercreditor Agent. Notwithstanding anything to the contrary in this Master Agreement, as security for the payment of Master Agents Fees (i) the Collateral Agents and the Intercreditor Agent are hereby granted a Lien upon all Collateral and (ii) the Intercreditor Agent shall have the right to use and apply any of the funds held by the Intercreditor Agent in the Master Collateral Account to cover such Master Agents Fees.

7.16 Further Assurances; Additional Collateral; Additional Guarantors. (a) Each Credit Party shall notify the Agents and the Senior Note Holders promptly of the acquisition of any property or interest in property not subject to the Lien of a Security Document in favor of a Collateral Agent having a fair market value in the aggregate in excess of \$100,000.

(b) At any time and from time to time, upon the written request of a Collateral Agent or the Intercreditor Agent, and at the expense of the relevant Credit Party, such Credit Party will promptly execute and deliver any and all such further instruments and documents and take such further action as is necessary or reasonably requested further to perfect, or to protect the perfection of, the liens and security interests granted under the Security Documents to which it is a party including, without limitation, the filing of any financing or continuation statements under the Uniform Commercial Code or under the Uniform Commercial Code, Personal Property Security Act or other personal or real property registration legislation in effect in any jurisdiction. In addition to the foregoing, at any time and from time to time, upon the written request of a Collateral Agent or the Intercreditor Agent, and at the expense of the relevant Credit Party, such Credit Party will promptly execute and deliver any and all such further instruments and documents and take such further action as is necessary or reasonably requested to obtain the full benefits of this Master Agreement and the Security Documents and Guarantee to which it is a party and of the rights and powers herein and therein granted. Each Credit Party also hereby authorizes each of the Collateral Agents and the Intercreditor Agent to sign and to file any such financing or continuation statements or similar filings without the signature of such Person to the extent permitted by applicable law.

(c) Each Credit Party shall from time to time execute and deliver to the Collateral Agent in whose favor Liens are granted on its property or to the Intercreditor Agent, as any of the foregoing shall request, such amendments or supplements to the Security Documents or such other instruments and documents (including, without limitation, such corporate resolutions, incumbency certificates, legal opinions and the like as shall be reasonably requested by such Person), as may be necessary or appropriate for such Credit Party to grant to such Collateral Agent a perfected Lien on any and all property of such Credit Party susceptible to a Lien of a Security Document and intended to be covered thereby in accordance with its terms or other document capable of granting a Lien in favor of such Collateral Agent on such property acquired by such Credit Party from time to time that is not subject to the Liens of the Security Documents to which such Person is a party.

(d) Each Credit Party (other than North American Salt) shall cause any Person (whether now existing or hereafter created) that becomes a Subsidiary of such Credit Party to join this Master Agreement as a Subsidiary Guarantor and to execute and deliver to the Intercreditor Agent a Subsidiary Guarantee and such Security Documents and such further instruments and documents (including, without limitation, financing statements and the like) for such Subsidiary to grant to the appropriate Collateral Agent a perfected lien on or security interest in substantially all of such Subsidiary's property, to secure payment of the Secured Obligations, and shall deliver in connection therewith such corporate resolutions, incumbency certificates, legal opinions and the like as the Intercreditor Agent shall reasonably request.

(e) Sifto Salt acknowledges that all property and assets hereafter acquired by it (other than inventory) (collectively, the "After-Acquired Property") shall be subject to the fixed charges of the Canadian Debenture. Sifto Salt covenants that it shall from time to time after the Closing Date give notice to the Collateral Agents in writing of the acquisition of all After-Acquired Property having an acquisition value or fair market value, whichever is greater, of more than \$100,000 giving particulars thereof and shall give a similar notice whenever the aggregate cost of all After-Acquired Property exceeds \$1,000,000. Sifto Salt shall from time to time upon the request of the Canadian Collateral Agent or the Canadian Bank Act Collateral Agent execute and deliver all such further instruments of assignment, transfer, mortgage, pledge or charge as the Canadian Collateral Agent or the Canadian Bank Act Collateral Agent may deem necessary or desirable to grant to the Canadian Collateral Agent or the Canadian Bank Act Collateral Agent, as the case may be, valid charges or security interests in connection with all After-Acquired Property.

7.17 Releases of Collateral. (a) In connection with any sale of Collateral permitted in accordance with the terms of the Credit Documents, American Salt on behalf of the Credit Parties may deliver a written notice to the Collateral Agent in whose favor a Lien has been granted on such Collateral and to the Credit Agents and each Senior Note Holder, requesting the release of the Lien on said Collateral and stating in detail the basis for the request (a "Partial Release Request"). So long as no Notice of Default is in effect, if within five Business Days following receipt of such Partial Release Request by such Collateral Agent and the Credit Agents, neither such Collateral Agent nor either Credit Agent nor any Senior Note Holder shall have determined that the proposed release of Collateral is not permitted under the Credit Documents, then promptly thereafter said Collateral Agent shall execute such instruments as shall be

reasonably necessary or appropriate to effect the requested release of Lien.

(b) Notwithstanding the foregoing provisions of this subsection, upon the occurrence of the Repayment Date, the Collateral Agents are authorized and directed to promptly release the Liens created by the Security Documents.

7.18 Concerning the Agents; Resignation and Removal of the Collateral Agents and the Intercreditor Agent.

(a) The Secured Parties agree to use their reasonable efforts to assure that the Agents are all the same institution or affiliated institutions.

(b) A Collateral Agent or the Intercreditor Agent may at any time, by giving written notice to the Credit Parties (unless such notice is prohibited by law, in which case it shall not be required) and the other Secured Parties, resign and be discharged of the responsibilities hereby created, such resignation to become effective upon (i) the appointment of a successor Collateral Agent or Intercreditor Agent, as the case may be, and (ii) the acceptance of such appointment by such successor Collateral Agent or Intercreditor Agent. As promptly as practicable after the giving of any such notice, the Required Secured Parties shall appoint a successor Collateral Agent or Intercreditor Agent, as the case may be, which successor shall be approved by the Credit Parties (which approval shall not be unreasonably withheld). If no successor Collateral Agent or Intercreditor Agent shall be appointed and shall have accepted such appointment within 30 days after the Collateral Agent or Intercreditor Agent gives the aforesaid notice of resignation, such Collateral Agent or Intercreditor Agent may apply to any court of competent jurisdiction to appoint a successor to act until such time, if any, as a successor Collateral Agent or Intercreditor Agent shall have been appointed as provided in this subsection 7.19. Any successor so appointed by such court shall immediately and without further act be superseded by any successor Collateral Agent or Intercreditor Agent appointed by the Required Secured Parties, as provided in this subsection 7.19. The Required Secured Parties may, at any time upon giving ten days' prior written notice thereof to American Salt (unless such notice is prohibited by law, in which case it shall not be required), remove a Collateral Agent or the Intercreditor Agent and appoint a successor Collateral Agent or Intercreditor Agent, as the case may be, which successor shall be approved by the Credit Parties, such approval not to be unreasonably withheld, such removal to be effective upon the acceptance of such appointment by the successor. Any Collateral Agent or Intercreditor Agent so removed shall be entitled to Master Agents Fees to the extent incurred or arising, or relating to events occurring, before such resignation or removal.

(c) Upon payment in full of the Notes and termination of the Commitments and upon payment in full of all other amounts owing under the Credit Agreements, Barclays PLC and Barclays of Canada or their successors (if they shall not be Senior Note Holders) shall resign from their respective agencies hereunder upon ten days prior written notice to the Senior Note Holders, provided that sufficient steps shall have been taken by each of them to ensure that the Liens created pursuant to any Credit Document for the benefit of the Secured Parties are adequately assigned to a successor agent holding them in favor of the Senior Note Holders provided, that the reasonable costs of Barclays PLC and Barclays of Canada in making such assignment shall be payable by the Borrowers, jointly and severally. Upon receipt of such notice, the Senior Note Holders shall designate one or more Senior Note Holders or other financial institutions which shall succeed to the agencies vacated by Barclays PLC and Barclays of Canada upon compliance with the provisions of subsection 7.18(b).

(d) If at any time a Collateral Agent or the Intercreditor Agent shall resign or be removed or otherwise become incapable of acting, or if at any time a vacancy shall occur in the office of the Collateral Agent or the Intercreditor Agent for any other cause, a successor may be appointed by the Required Secured Parties. The powers, duties, authority and title of the predecessor Collateral Agent or Intercreditor Agent shall be terminated and cancelled without procuring the resignation of such predecessor and without any other formality (except as may be required by applicable law) than appointment and designation of a successor in writing duly acknowledged and delivered to the predecessor and the Credit Parties (unless such notice is prohibited by law, in which case it shall not be required). Such appointment and designation shall be full evidence of the right and authority to make the same and of all the facts therein recited, and this Master Agreement and the Security Documents and Guarantees shall vest in such successor, without any further act, deed or conveyance, all the estates, properties, rights, powers, trusts, duties, authority and title of its predecessor; but such predecessor shall, nevertheless, on the written request of the Required Secured Parties, or any Credit Party or the successor execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers, trusts, duties, authority and title of such predecessor hereunder and under the Security Documents and Guarantees and shall deliver all Collateral held by it or its agents to such successor. Should any instrument in writing from any Credit Party be required by any successor Collateral Agent or Intercreditor Agent for more fully and certainly vesting in such successor the estates, properties, rights, powers, trusts, duties, authority and title vested or intended to be vested with



respect to the Collateral in the predecessor Collateral Agent or the Intercreditor Agent, any and all such instruments in writing shall, on request of such successor, be executed, acknowledged and delivered by such Credit Party. If any Credit Party shall not have executed and delivered any such instrument within ten days after it received a written request from a Collateral Agent or Intercreditor Agent to do so, or if a Notice of Default is in effect, the predecessor Collateral Agent or Intercreditor Agent may execute the same on behalf of such Person. Each Credit Party hereby appoints any predecessor Collateral Agent or Intercreditor Agent as its agent and attorney to act for it as provided in the next preceding sentence.

(e) The provisions of this subsection 7.18 shall inure to the benefit of the resigning or removed Collateral Agent as to any actions taken or omitted to be taken by it while it was Collateral Agent or Intercreditor Agent under this Master Agreement.

7.19 Indemnification by the Secured Parties. Each Secured Party agrees to indemnify each Collateral Agent and the Intercreditor Agent (in its capacity as such), to the extent not paid or reimbursed by the Credit Parties and without limiting the obligation of the Credit Parties to do so, ratably according to their respective Voting Credit Exposure at the date any claim for indemnity arises in respect of a Collateral Agent or the Intercreditor Agent for indemnity under this subsection 7.19, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever which may at any time (including, without limitation, at any time following the payment of the Secured Obligations) be imposed on, incurred by or asserted against such Collateral Agent or the Intercreditor Agent in any way relating to or arising out of this Master Agreement or any Security Document or Guarantee, or any documents contemplated by or referred to herein or therein or the transactions contemplated thereby or any action taken or omitted by such Collateral Agent or the Intercreditor Agent hereunder or thereunder or in connection therewith; provided that no such Secured Party shall be liable for the payment of any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting solely from the gross negligence or willful misconduct of such Collateral Agent or the Intercreditor Agent. The agreements in this subsection 7.19 shall survive the payment of the Secured Obligations and all other amounts payable hereunder and the termination of this Agreement.

7.20 Delegation of Duties. Either Collateral Agent or the Intercreditor Agent may execute any of its duties under this Master Agreement and the other Credit

Documents by or through agents or attorneys-in-fact and shall be entitled to advice of counsel concerning all matters pertaining to such duties. Neither Collateral Agent nor the Intercreditor Agent shall be responsible for the negligence or misconduct of any agents or attorneys-in-fact selected by it with reasonable care.

7.21 Exculpatory Provisions. Neither Collateral Agent nor the Intercreditor Agent nor any of its respective officers, directors, employees, agents, attorneys-in-fact or Affiliates shall be (i) liable for any action lawfully taken or omitted to be taken by it or such Person under or in connection with this Master Agreement or the other Credit Documents (except for its or such Person's own gross negligence or willful misconduct), or (ii) responsible in any manner to any of its principals for any recitals, statements, representations or warranties made by any Credit Party or any officer thereof contained in this Master Agreement or the other Credit Documents or in any certificate, report, statement or other document referred to or provided for in, or received by such Collateral Agent or the Intercreditor Agent under or in connection with, this Master Agreement or the other Credit Documents or for the value, validity, effectiveness, genuineness, enforceability or sufficiency of this Master Agreement or the other Credit Documents or for any failure of any Credit Party to perform its obligations hereunder or thereunder. Neither Collateral Agent nor the Intercreditor Agent shall be under any obligation to any Lender to ascertain or to inquire as to the observance or performance of any of the agreements contained in, or conditions of, this Master Agreement, or to inspect the properties, books or records of any Credit Party.

7.22 Reliance by Agents. Each Collateral Agent and the Intercreditor Agent shall be entitled to rely, and shall be fully protected in relying, upon any Note, writing, resolution, notice, consent, certificate, affidavit, letter, cablegram, telegram, telecopy, telex or teletype message, statement, order or other document or conversation believed by it to be genuine and correct and to have been signed, sent or made by the proper Person or Persons and upon advice and statements of legal counsel (including, without limitation, counsel to any Credit Party), independent accountants and other experts selected by such Agent. Each Collateral Agent and the Intercreditor Agent may deem and treat the payee of any Note or Senior Note as the owner thereof for all purposes unless a written notice of assignment, negotiation or transfer thereof shall have been filed with such Agent. Each Collateral Agent and the Intercreditor Agent shall be fully justified in failing or refusing to take any action under this Agreement and the other Security Documents unless it shall first receive such advice or concurrence of the Required Secured Parties as it deems appropriate or it shall first be indemnified to its satisfaction by the Lenders

against any and all liability and expense which may be incurred by it by reason of taking or continuing to take any such action. Each Collateral Agent and the Intercreditor Agent shall in all cases be fully protected in acting, or in refraining from acting, under this Master Agreement and the other Credit Documents in accordance with a request of the Required Secured Parties and such request and any action taken or failure to act pursuant thereto shall be binding upon all the Secured Parties and all future holders of the Notes.

7.23 Constructive Notice of Default. Neither Collateral Agent nor the Intercreditor Agent shall be deemed to have knowledge or notice of the occurrence of any Event of Default unless such Agent has received notice from any Lender, any Senior Note Holder, any Credit Agent or any Credit Party referring to this Master Agreement, describing such Default or Event of Default and stating that such notice is a "notice of event of default". The Collateral Agents and the Intercreditor Agent shall take such action with respect to such Event of Default as shall be reasonably directed by the Required Secured Parties provided that unless and until any such Agent shall have received such directions, such Agent may (but shall not be obligated to) take such action, or refrain from taking such action, with respect to such Event of Default as it shall deem advisable in the best interests of the Secured Parties, including, without limitation, enforcing rights under the Security Documents with respect to the Collateral.

7.24 Non-Reliance on Agent and Other Lenders. Each Secured Party expressly acknowledges that neither Collateral Agent nor the Intercreditor Agent nor any of their respective officers, directors, employees, agents, attorneys-in-fact or Affiliates has made any representations or warranties to it and that no act by any such Agent hereinafter taken, including any review of the affairs of the Credit Parties shall be deemed to constitute any representation or warranty by such Agent to any Secured Party. Each Secured Party represents to the Collateral Agents and the Intercreditor Agent that it has, independently and without reliance upon such Agent or any other Secured Party, and based on such documents and information as it has deemed appropriate, made its own appraisal of and investigation into the business, operations, property, financial and other condition and creditworthiness of the Credit Parties and made its own decision to make its Loans hereunder and enter into this Agreement. Each Secured Party also represents that it will, independently and without reliance upon the Collateral Agents or the Intercreditor Agent or any other Secured Party, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit analysis, appraisals and decisions in taking or not taking action under this Agreement

and the other Credit Documents, and to make such investigation as it deems necessary to inform itself as to the business, operations, property, financial and other condition and creditworthiness of the Credit Parties. Except for notices, reports and other documents expressly required to be furnished to the Secured Parties by the Agents hereunder or by the other Credit Documents, no such Agent shall have any duty or responsibility to provide any Secured Party with any credit or other information concerning the business, operations, property, financial and other condition or creditworthiness of the Credit Parties which may come into the possession of such Agent or any of its officers, directors, employees, agents, attorneys-in-fact or Affiliates.

7.25 Exchange of Information; Disclosure to Other Persons. Each Credit Party acknowledges that any Secured Party may deliver copies of any financial statements and other documents delivered to such Secured Party, and disclose any other information disclosed to such Secured Party, by or on behalf of any Credit Party or any Subsidiary in connection with or pursuant to this Master Agreement to (a) such Secured Party's directors, officers, employees, agents and professional consultants, (b) any other Secured Party, holder of Capital Stock of North American Salt or Subordinated Note Holder, (c) any federal or state regulatory authority having jurisdiction over such Secured Party or (d) any other Person to which such delivery or disclosure may be necessary or appropriate (i) in compliance with any law, rule, regulation or order applicable to such Secured Party, (ii) in response to any subpoena or other legal process, or (iii) in connection with any litigation to which such Secured Party is a party.

## SECTION 8. MISCELLANEOUS

8.1 Amendments and Waivers. (a) Neither this Master Agreement, nor any Security Document or Guarantee, nor any terms hereof of thereof may be amended, supplemented or modified except in accordance with the provisions of this subsection.

(b) None of the provisions of this Master Agreement may be amended, supplemented, modified or waived prior to the Closing Date without the written consent of all parties hereto.

(c) With the written consent of the Required Secured Parties, (i) the Intercreditor Agent (on behalf of the Secured Parties) and American Salt (on behalf of the Credit Parties), in the case of this Master Agreement, and (ii) the Agent or Agents party to or beneficiary of a Security Document or Guarantee (on behalf of the Secured

Parties) and the Credit Party or Credit Parties party thereto, may, from time to time, enter into written amendments, supplements or modifications hereto or thereto for the purpose of adding any provisions hereto or thereto or changing in any manner the rights of the Secured Parties or of the Credit Parties, hereunder or thereunder or waiving, on such terms and conditions as may be specified in such consent; provided, however, that no such waiver and no such amendment, supplement or modification shall (a) amend, modify or waive any provision of this subsection or reduce the percentage specified in the definitions of Required Secured Parties, or consent to the assignment or transfer by any Credit Party of any of its rights and obligations under this Master Agreement or any Security Document or Guarantee to which it is a party, in each case without the written consent of all the Lenders and the Senior Note Holders, (b) amend, modify or waive any provision of Section 7 without the written consent of the Required Senior Note Holders, the then Collateral Agents and Intercreditor Agent, (c) amend or modify the definitions of Majority Senior Note Holders or Required Senior Note Holders without, in each case, the consent of the required percentage of such Senior Note Holders or (d) amend, modify or waive the provisions of subsections 4.2, 6.11(b), 6.11(c) or 6.21 without the consent of the Required Senior Note Holders and the Required Lenders.

(d) With the written consent of the Supermajority Lenders, the Intercreditor Agent shall deliver a blockage notice in respect of the Subordinated Debt.

(e) Any such waiver and any such amendment, supplement or modification shall apply equally to each of the Secured Parties and shall be binding upon the Credit Parties, the Secured Parties, the Agents and all future holders of the Notes or the Subordinated Notes. In the case of any waiver, the Credit Parties and the Secured Parties shall be restored to their former position and rights hereunder and under the outstanding Notes and Subordinated Notes.

8.2 Notices. All notices, requests and demands to or upon the respective parties hereto to be effective shall be in writing (including by telex or telecopy), and, unless otherwise expressly provided herein, shall be deemed to have been duly given or made (a) in the case of hand or local messenger delivery, when received, (b) in the case of overnight courier service, when received, (c) in the case of telex notice, when sent, answerback received, and (d) in the case of telecopy notice, when sent and electronically or telephonically confirmed, addressed as follows in the case of the Credit Parties and the Agents, and as set forth on the signature pages hereto in the case of the other parties hereto, or to such other address as may be hereafter notified to American Salt and the Intercreditor Agent by the

respective parties hereto and any future holders of the Notes or the Senior Notes:

The Credit Parties  
(other than Sifto  
Salt):

American Salt:  
6950 West 56th Street  
Mission, Kansas 66202  
Attention: Mr. P. Grelinger  
Telecopy: (913) 362-9766  
Confirmation: (913) 362-6150

with a copy to:

D. George Harris & Associates, Inc.  
61 Broadway  
Suite 918  
New York, New York 10016  
Attn: Mr. Anthony J. Petrocelli  
Telecopy: (212) 480-0623  
Confirmation: (212) 480-0650

in each case with a copy to:

Winthrop, Stimson, Putnam & Roberts  
One Battery Park Plaza  
New York, New York 10004-1490  
Attn: Donald Kilpatrick, Esq.  
Telecopy: (212) 858-1500  
Confirmation: (212) 858-1387

Sifto Canada Inc.:

Sifto Canada Inc.  
1136 Matheson Blvd.  
Mississauga, Ontario 64WTV4  
Canada  
Attention: Mr. Gerry Murphy  
Telecopy: (416) 624-7617  
Confirmation: (416) 624-5700

The American Salt  
Agent, the U.S.  
Collateral Agent, and

the Intercreditor Agent: Barclays Bank PLC  
75 Wall Street  
New York, New York 10005  
Att: Mr. Daniel Higgins  
Telex: 12-6946  
Answerback: BARCLADOM  
Att: Mr. Daniel Higgins  
Telecopy: (212) 412-3050  
Confirmation: (212) 412-5879

The Sifto Salt Agent,  
the Canadian Collateral  
Agent, and the Canadian  
Bank Collateral Agent:

Barclays Bank of Canada  
T.D. Center  
Suite 1902  
Royal Trust Tower  
Toronto, Ontario M5K 1A1  
Canada  
Attn: Mr. Ronald Handford  
Telecopy: (416) 862-2212  
Confirmation: (416) 862-0594

8.3 No Waiver; Cumulative Remedies. No failure to exercise and no delay in exercising, on the part of any Secured Party, any right, remedy, power or privilege hereunder or under the other Credit Documents, shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided or provided in the Credit Documents are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

8.4 Survival of Representations and Warranties. All representations and warranties made hereunder, in the other Credit Documents, and in any document, certificate or statement delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery of this Agreement, the Credit Agreements, the Senior Note Purchase Agreement, the Letters of Credit, the Acceptances, the Notes and the Senior Notes.

8.5 Payment of Expenses and Taxes. Each Credit Party agrees:

(a) to pay or reimburse the Senior Note Holders, the Collateral Agents and the Intercreditor Agent for all their respective out-of-pocket costs and expenses incurred in connection with the development, preparation

and execution of, and any amendment, supplement or modification to, this Master Agreement, the other Credit Documents and any other documents prepared in connection herewith or therewith or with the Acquisition or the Louisiana Acquisition, and the consummation of the transactions contemplated hereby and thereby, including, without limitation, the fees and disbursements of counsel and professional consultants listed on Schedule 12 to such Senior Note Holders and the Agents provided, however, that with respect to fees and disbursements of counsel with respect to any amendment, supplement or modification referred to above, the Credit Parties shall be obligated to pay the fees of only one U.S. counsel and, in the case of any amendment, supplement or modification involving substantive issues of Canadian law, one Canadian counsel (and, where necessary or advisable, one local counsel in each relevant jurisdiction), for each of (i) the Collateral Agents and the Intercreditor Agent taken as a group and (ii) the Senior Note Holders taken as a group and provided further, that with respect to any such amendment, supplement or modification, the Credit Parties shall not be obligated to pay or reimburse the Collateral Agents, Intercreditor Agent or any Senior Note Holder with respect to professional consultant fees (other than the fees of legal counsel as set forth above);

(b) to pay or reimburse each Secured Party for all their costs and expenses incurred in connection with the enforcement or preservation of any rights under this Master Agreement and any other Credit Documents, including, without limitation, the reasonable fees and disbursements of counsel and professional consultants, but, in the case of the fees and disbursements of counsel, limited to the reasonable fees and disbursements of one or more special or general counsel to the Agents and one or more special or general counsel to the Senior Note Holders as the Agents and the Senior Note Holders, respectively, shall reasonably deem necessary or appropriate in the circumstances, including, without limitation, costs and expenses incurred in connection with any proceedings under any bankruptcy, reorganization, compromise, arrangement, insolvency, restructuring, debt dissolution or liquidation or similar law;

(c) to pay, indemnify, and hold each Secured Party harmless from, any and all recording and filing fees and any and all liabilities with respect to, or resulting from any delay in paying, stamp, excise, sales, goods and services and other similar taxes, if any, which may be payable or determined to be payable in respect of any payments made to the Lenders or the Senior Note Holders in connection with the execution and delivery of, or



consummation of any of the transactions contemplated by, or any amendment, supplement or modification of, or any waiver or consent under or in respect of, this Master Agreement and any such other Transaction Documents;

(d) to pay or reimburse the Agents, the Lenders and the Senior Note Holders for their costs and expenses (including the fees and expenses of counsel subject to the limitations set forth in subparagraph (a), above) incurred in responding to any subpoena or other legal process or investigative proceeding issued in connection with or relating to the Credit Documents or the transactions contemplated thereby or by any document related to the Acquisition or the Louisiana Acquisition or by reason of any Senior Note Holder or any transferee thereof, having acquired any Senior Note;

(e) to pay or reimburse the Senior Note Holders for all expenses associated with the rating of the Senior Notes by the National Association of Insurance Commissioners, including the costs of obtaining any "PPN NUMBER" required therefor; and

(f) subject to the limitation set forth in clauses (a) and (b) above, to pay, indemnify, and hold each Secured Party harmless from and against any and all other liabilities, obligations, losses, damages or penalties arising out of any actions, judgments or suits, of any kind or nature whatsoever with respect to the execution, delivery, enforcement, performance and administration of this Master Agreement and any such other Transaction Documents, with respect to any document relating to the Acquisition or with respect to the Information Memorandum or the Prudential Placement Memorandum.

(all the foregoing, collectively, the "indemnified liabilities"), provided, that no Credit Party shall have any obligation hereunder or thereunder to any Secured Party with respect to indemnified liabilities arising from (i) the gross negligence or willful misconduct of any such Secured Party, (ii) legal proceedings commenced against an Agent or any such Secured Party by any security holder or creditor thereof arising out of and based upon rights afforded any such security holder or creditor solely in its capacity as such, or (iii) legal proceedings commenced against any such Secured Party by any other Secured Party. The agreements in this subsection shall survive repayment of all amounts payable under the Credit Documents and the Capitalization Documents.

8.6 Judgment Currency Indemnity. (a) (i) Any payment by a Credit Party on account of an amount payable hereunder or under any other Credit Document in one currency (the "Original Currency") made to or for the account of a

Secured Party (a "Payee") in another currency (the "Judgment Currency") pursuant to a judgment or order of a court or tribunal of any jurisdiction shall constitute a discharge of such Credit Party's obligation under this Master Agreement or such other Credit Document only to the extent of the Conversion Amount in the Original Currency on the date of payment of such payment in the Judgment Currency. If such Conversion Amount in the Original Currency is less than the amount of the Original Currency originally due to the Payee, the Credit Party shall indemnify and save harmless the Payee from all loss or damage arising out of or as a result of such deficiency. This obligation shall be separate and independent from the other obligations contained in this Master Agreement or under any Credit Document, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by the Payee or others from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

(ii) If for the purpose of obtaining or enforcing judgment in any court in any jurisdiction, it becomes necessary to convert into a particular currency (the "Judgment Currency") an amount due in another currency hereunder or under any other Credit Document, then the conversion shall be made at the option of the party bringing the proceedings on the basis of the Conversion Amount in the Judgment Currency of such amount as at the date of the occurrence of the Event of Default giving rise to such judgment, on the Business Day immediately preceding such date, on the date on which judgment is given, or on the date on which the payment of such amount is made to the Payee after the judgment, and in any event the Credit Party shall be obliged to pay to the Payee any deficiency in accordance with the foregoing subsection (a)(i).

(iii) For purposes of this subsection 8.6(a), "Conversion Amount" means, on a particular day, the amount of U.S. Dollars or Canadian dollars, as the case may be, which results from the conversion of a specified amount of Canadian Dollars or U.S. Dollars, respectively, at the buying rate for such currency quoted by the Intercreditor Agent in accordance with its normal practice at approximately 12:00 noon, New York time, on that day, if it is a Business Day or on the immediately preceding Business Day if that day is not a Business Day.

(b) Amounts paid to or recovered by a Secured Party and remitted to or held by the Intercreditor Agent may be held by the Intercreditor Agent in the currency in which such amounts are paid or may be converted and held in Canadian dollars or U.S. Dollars, as the Intercreditor Agent shall determine in its sole discretion and without liability

for any loss resulting from any such conversion. The Secured Obligations shall be deemed to be satisfied only to the extent that the Secured Obligations are paid in the currency in which they are owing after giving effect to any currency conversion.

**8.7 Environmental Indemnification.** Each Credit Party and their respective Subsidiaries agrees to exonerate, indemnify, pay and protect, defend (with one counsel selected by the Lenders and one counsel selected by the Senior Note Holders per relevant jurisdiction, in each case reasonably satisfactory to the indemnifying parties) and hold Lenders and Senior Note Holders, harmless from and against and to reimburse said parties for any claims (including, without limitation, third party claims, whether for personal injury or real or personal property damage or otherwise), actions, administrative proceedings (including informal proceedings), judgments, liens, damages, punitive damages, penalties, fines, costs, liabilities (including sums paid in settlement of claims), interest or losses, including reasonable attorneys' fees and expenses (including any such fees and expenses incurred in enforcing this Master Agreement, the Credit Agreements, the Senior Note Agreement or the other Credit Documents or collecting any sums due hereunder or thereunder), consultant fees, and expert fees, together with all other costs and expenses of any kind or nature (collectively, "Environmental Losses"), that arise directly or indirectly from or in connection with any Requirement of Environmental Law that is or allegedly is applicable to the Credit Parties, any of their Subsidiaries or their respective tenants, provided, that no Credit Party shall have any obligation under this subsection 8.7 to indemnify any Secured Party for Environmental Losses incurred with respect to any property to the extent that such Environmental Losses are determined by a final judgment or order of a court having jurisdiction over the applicable Secured Party (or, in the absence of any prior final judgment by such a court with respect to such issue, are determined by a final judgment or order of the court in which enforcement of this subsection 8.7 is being sought) to arise from the gross negligence or willful misconduct of such Secured Party after such Secured Party has foreclosed upon or otherwise taken possession of such property.

**8.8 Taxes.** (a) All payments made by the Borrowers and Guarantors under this Agreement shall be made free and clear of, and without reduction or withholding or liability for or on account of, any present or future income, stamp or other taxes, levies, imposts, duties, charges, fees, deductions or withholdings, now or hereafter imposed, levied, collected, withheld or assessed by any Governmental Authority excluding, in the case of the Agents, each Lender and each Senior Note Holder, (i) net income, capital, doing business, and franchise and similar taxes

imposed upon such Agent or such Lender or Senior Note Holder by the laws of which such Agent, Lender or Senior Note Holder is organized or any political subdivision or taxing authority thereof or therein, or by any jurisdiction in which such American Salt Lender's Domestic Lending Office or Eurodollar Lending Office, as the case may be, is located or any political subdivision or taxing authority thereof or therein, (ii) any tax, levy, impost, duty, charge, fee, deduction or withholding that would not have been imposed but for the existence of any present or former connection between such Agent, Lender or Senior Note Holder, as relevant (or between shareholders of such Agent or Lender or Senior Note Holder), and the Governmental Authority imposing such tax, levy, impost, duty, charge, fee, deduction or withholding including, without limitation, such Agent, Lender or Senior Note Holder (or shareholders thereof) being or having been a resident thereof, being or having been present therein, being or having been engaged in a trade or business therein, or having had a permanent establishment or fixed place of business therein (but excluding a connection arising from such Agent's or Lender's or Senior Note Holder's execution or enforcement of or performance of its obligations under or receipt of payment under the Credit Documents), and (iii) any withholding of any United States federal income tax that would not have been required but for a failure by any American Salt Lender to timely deliver to American Salt and the American Salt Agent such forms, certificates, statements or other documents pursuant to the requirements of subsection 2.25(b) and subsection 6.3(e) of the American Salt Credit Agreement, as relevant, evidencing such Lender's eligibility for an exemption from or a reduced rate of such tax (all such non-excluded taxes, levies, imposts, deductions, charges or withholdings being hereinafter called "Taxes"). If any Taxes are required to be withheld from, or if any Senior Note Holder shall become liable for any Taxes in respect of, any amounts payable or paid to any Agent or any Lender or Senior Note Holder hereunder, the amounts so payable or paid to such Agent or such Lender or Senior Note Holder shall be increased to the extent necessary to yield to such Agent or such Lender or Senior Note Holder (after payment of all Taxes) interest or any such other amounts payable hereunder at the rates or in the amounts specified in this Agreement. Whenever any Taxes are payable by the Borrowers or Guarantors, as promptly as possible thereafter, the Borrowers or Guarantors shall send to the appropriate Agent for its own account or for the account of such Lender or to the appropriate Senior Note Holder, as the case may be, a certified copy of an original official receipt received by the Borrowers or Guarantors showing payment thereof. If the Borrowers or Guarantors fail to pay any Taxes when due to the appropriate taxing authority or fail to remit to the appropriate Agent or any Senior Note Holder any payments due under this subsection 8.8(a) or the required receipts or other required documentary evidence, the Borrowers or Guarantors shall indemnify the Agents, the

Lenders and Senior Note Holders for any incremental taxes, interest or penalties that may become payable by any Agent or any Lender or Senior Note Holder as a result of any such failure.

(b) Prior to the first date a payment is to be made under this Agreement each American Salt Lender that is not incorporated under the laws of the United States of America or a state thereof agrees that it will deliver upon request by a Borrower or Guarantor to such Borrower or Guarantor and the Intercreditor Agent (i) two duly completed and executed copies of United States Internal Revenue Service Form 1001 or 4224 or successor applicable form, as the case may be, certifying in each case that such Lender is entitled to receive payments under this Agreement payable to it, without deduction or withholding of any United States federal income taxes, and (ii) a duly completed and executed Internal Revenue Service Form W-8 or W-9 or successor applicable form, as the case may be, to establish an exemption from United States backup withholding tax. Each American Salt Lender which delivers to the Borrower or Guarantor and the Agent a Form 1001 or 4224 and Form W-8 or W-9 pursuant to the preceding sentence further undertakes to deliver to the Borrower or Guarantor and the American Salt Agent two further copies of Form 1001 or 4224 and Form W-8 or W-9, or successor applicable forms, or other manner of certification, as the case may be, upon request by the Borrower or Guarantor and on or before the date that any such form expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent form previously delivered by it to the Borrower or Guarantor, and such extensions or renewals thereof as may reasonably be requested by the Borrower or Guarantor, certifying in the case of a Form 1001 or 4224 that such Lender is entitled to receive payments under this Agreement without deduction or withholding of any United States federal income taxes, unless in any such cases an event (including, without limitation, any change in treaty, law or regulation) has occurred prior to the date on which any such delivery would otherwise be required which renders all such forms inapplicable or which would prevent such Lender from duly completing and delivering any such letter or form with respect to it and such Lender advises the Company that it is not capable of receiving payments without any deduction or withholding of United States federal income tax, and in the case of a Form W-8 or W-9, establishing an exemption from United States backup withholding tax.

(c) In the event that any Borrower or Guarantor has actual knowledge that it is required to, or there arises in such Borrower's or Guarantor's reasonable opinion a substantial likelihood that such Borrower or Guarantor will be required to, pay an increased amount or otherwise indemnify any Agent, Lender or Senior Note Holder for or on account of any United States or Canadian federal income tax

pursuant to subsection 8.8(a), such Borrower or Guarantor will promptly notify such Agent, Lender or Senior Note Holder of the nature of such tax, and shall furnish such information to such Agent, Lender or Senior Note Holder with respect to such tax as such Agent, Lender or Senior Note Holder may reasonably request. In the event of any knowledge or opinion of such Borrower or Guarantor described in the preceding sentence, such Borrower or Guarantor, Agent, Lender and/or Senior Note Holder shall consult in good faith to determine what may be required to avoid or reduce the tax, and shall each use reasonable efforts to avoid or reduce such tax (so long as such effort results in no material incremental costs to such Agent, Lender or Senior Note Holder or modify the terms of the relevant Credit Documents).

(d) If any Senior Note Holder, Lender or Agent is, in its reasonable opinion, able to apply for any tax refund, tax credit, tax deduction or other reduction in tax by reason of any payment of an increased amount or other indemnification respecting a Tax paid by any Borrower or Guarantor under this subsection 8.8, such Senior Note Holder, Lender or Agent will use reasonable efforts to obtain such refund, credit, deduction or other reduction, and upon irrevocable receipt of the benefit thereof, will pay to such Borrower or Guarantor such amount (plus any interest accrued or received by such Senior Note Holder, Lender or Agent by reason of the relevant refund, credit, deduction or other reduction) as is equal to the net after-tax value to such Senior Note Holder, Lender or Agent, in its reasonable opinion, of such part of such refund, credit, deduction or other reduction as it considers to be allocable to such Tax; provided, however, that (i) no Senior Note Holder, Lender or Agent shall be obligated by this subsection 8.8(d) to disclose to such Borrower or Guarantor any information regarding its tax affairs or computations and (ii) nothing in this subsection 8.8(d) shall interfere with the right of each Senior Note Holder, Lender and Agent to arrange its tax affairs as it deems appropriate.

(e) The agreements in subsection 8.8(a), (c) and (d) shall survive the termination of this Agreement and the payment of the Loans and Senior Notes and all other amounts payable hereunder.

**8.9 Replacement of Claimant.** Except as otherwise provided in the Credit Agreements, if any Lender or Agent shall make any demand of any Borrower or Guarantor for payment under subsection 8.8, then within 30 days after any such demand, such Borrower or Guarantor may request that such Lender, Agent or Senior Note Holder assign in accordance with subsection 8.10 to one or more financial institutions designated by such Borrower or Guarantor all (but not less than all) of such Agent's, Lender's or Senior Note Holder's Contractual Obligations no later than the date 30 days

following such request. Such Lender, Agent or Senior Note Holder shall consummate such assignment to a financial institution so designated by such Borrower or Guarantor if such financial institution (i) shall not, upon such assignment becoming effective, make any demand for payment under subsection 8.8, or (ii) shall offer compensation to such Agent, Lender or Senior Note Holder in an amount equal to all amounts then owing by the Borrowers to such Agent, Lender or Senior Note Holder under the Credit Agreements, whether for principal, interest, fees, costs or expenses or otherwise.

8.10 Successors and Assigns. (a) This Master Agreement shall be binding upon and inure to the benefit of the Borrowers, North American Salt, the Lenders, the Senior Note Holders, the Interest Protection Parties, the Agents, the Issuing Banks, all future holders of the Notes and of the Senior Notes and their respective successors and assigns, except that no Credit Party may assign or transfer any of its rights or obligations under this Master Agreement, any Credit Agreement, any Senior Note Purchase Agreement or any Security Document or Guarantee without the prior written consent of each Lender and each Senior Note Holder, and no assignment or transfer shall be made by the Agents except as provided in subsection 7.19

(b) Any Person who transfers a Note under a Credit Agreement or a Senior Note under the Senior Note Purchase Agreement to another Person (a "Purchaser") as permitted under the Credit Agreements and the Senior Note Purchase Agreement, respectively, shall cause such Purchaser to become a party to this Master Agreement by executing and delivering to the Intercreditor Agent a Master Agreement Joinder, which Master Agreement Joinder shall thereafter become effective upon its execution and delivery by the Intercreditor Agent.

(c) Any Credit Party (other than North American Salt) that causes a Subsidiary of such Credit Party to become a Guarantor pursuant to subsection 7.17(c) shall cause such Subsidiary to become a party to this Master Agreement by executing and delivering to the Intercreditor Agent a Master Agreement Joinder, which Master Agreement Joinder shall thereafter become effective upon its execution and delivery by the Intercreditor Agent.

8.11 HCC/Great Salt Lake Lender Issues. In the event of any substantive consolidation of (x) Harris Acquisition, HCC or Great Salt Lake or any of their respective Subsidiaries (the "HCC Entities") and (y) North American Salt or any of its Subsidiaries under the United States Bankruptcy Code or any similar provision of state or foreign law:

(a) (i) any rights that the lenders under the Credit Agreement dated as of March 3, 1989 as amended by Amendment No. 1 dated as of March 2, 1990 among Great Salt Lake as survivor of a merger with GSL Acquisition Corporation, and other parties thereto (the "Banks") (the "GSL Agreement") may acquire in respect of the Banks' claims under the GSL Agreement or the notes thereunder (the "Bank Claims") to payment from the assets or business of North American Salt or any of its Subsidiaries, or to securities issued in respect of the business of North American Salt as reorganized, due to such substantive consolidation, shall be subordinated (under subordination provisions substantially in the form of Article X to the Subordinated Note Purchase Agreement, mutatis mutandis, and corresponding to those applicable to the Secured Parties described below and referred to in clause (b) below, but in any event applicable only to payments out of or in respect of, and other matters to the extent that they affect, the assets of North American Salt and its Subsidiaries) to the prior payment in full of any claims against North American Salt or any of its Subsidiaries of the Secured Parties (the "Claims"); (ii) if any Bank receives any payment or distribution in violation of clause (a)(i) of this Subsection 8.11 it will turn such payment or distribution over to the Secured Parties for application to the Claims; and (iii) upon payment in full of the Claims, then to the extent of any such subordination or turnover, the Banks shall be subrogated to the rights of the Secured Parties in assets of North American Salt and its Subsidiaries; and

(b) (i) any rights that the Secured Parties may acquire to any payment or other distribution from the assets or business of the HCC Entities or any of their Subsidiaries, or to securities issued in respect of the business of the HCC Entities as reorganized, in payment of the Claims shall be subordinated (under subordination provisions substantially in the form of Article X to the Subordinated Note Purchase Agreement mutatis mutandis, and corresponding to those applicable to the Banks and referred to in clause (a) above, but in any event applicable only to payments out of or in respect of, and other matters to the extent that they affect, the assets of the HCC Entities and their Subsidiaries, and not covering payments out of or in respect of, or other matters to the extent that they affect, the assets of North American Salt and its Subsidiaries) to the prior payment in full of the Bank Claims; (ii) if any of the Secured Parties receives any payment or distribution in violation of clause (b)(i) of this Section 8.11, it will turn such payment or distribution over to the Banks for application to the Bank Claims; and (iii) upon payment in full of the Bank Claims, then to the extent of any such subordination or turnover, the Subordinated Note Holders shall be subrogated to the rights



of the Banks in assets of the HCC Entities and their Subsidiaries.

(c) The Secured Parties acknowledge that this Section is being relied on by the Banks and no amendment of this Subsection 8.11 will be made without the consent of the holders of a majority in interest of the Banks. In the event of any reorganization proceeding under the United States Bankruptcy Code or any similar provision of state or foreign law, none of the Secured Parties will move for substantive consolidation of the HCC Entities or any of their Subsidiaries with NASC or any of its Subsidiaries.

8.12 Counterparts. This Master Agreement may be executed by one or more of the parties to this Master Agreement on any number of separate counterparts and all of said counterparts taken together shall be deemed to constitute one and the same instrument. A set of the copies of this Master Agreement signed by all the parties shall be lodged with North American Salt and the Intercreditor Agent.

8.13 Governing Law. THIS MASTER AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS MASTER AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

8.14 Submission To Jurisdiction; Waivers. (a) Each Credit Party hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating to this Master Agreement, the other Transaction Documents and the Capitalization Documents, or for recognition and enforcement of any judgement in respect thereof, to the non-exclusive general jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof;

(ii) consents that any such action or proceeding may be brought in such courts, and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same;

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail or courier service), postage prepaid, to such Credit Party at its address set forth in subsection 8.2 or at such other address of which the Intercreditor Agent shall have been notified pursuant thereto; and

(iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction.

(b) THE CREDIT PARTIES, THE AGENTS, THE ISSUING BANKS, THE SENIOR NOTE HOLDERS, THE INTEREST PROTECTION PARTIES AND THE LENDERS HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVE TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS AGREEMENT AND THE OTHER

[Intentionally Omitted]

[Intentionally Omitted]

**TRANSACTION DOCUMENTS AND THE CAPITALIZATION DOCUMENTS AND  
FOR ANY COUNTERCLAIM THEREIN.**

IN WITNESS WHEREOF, the parties hereto have caused  
this Master Agreement to be duly executed and delivered in  
New York, New York by their proper and duly authorized  
officers as of the day and year first above written.

**Borrowers:**

AMERICAN SALT COMPANY

By: [Signature]  
Title: \_\_\_\_\_

855715 ONTARIO LIMITED  
(to be renamed Sifto Canada Inc.)

By: [Signature]  
Title: \_\_\_\_\_

**Guarantors:**

NORTH AMERICAN SALT COMPANY  
(formerly known as Carey Salt  
Holdings, Inc.)

By: [Signature]  
Title: \_\_\_\_\_

THE HUTCHINSON AND NORTHERN RAILWAY  
COMPANY

By: [Signature]  
Title: \_\_\_\_\_

LAKE CRYSTAL SALT COMPANY

By: [Signature]  
Title: \_\_\_\_\_

SIFTO LOUISIANA INC.

By: [Signature]  
Title: \_\_\_\_\_

Secured Parties:

BARCLAYS BANK PLC, as American Salt  
Issuing Bank, as U.S. Collateral  
Agent, as Intercreditor Agent and  
as an American Salt Lender

By: *Donald M. Higgins*  
Title: *Vice President*

BARCLAYS BANK OF CANADA, as Sifto  
Salt Issuing Bank, as Canadian  
Collateral Agent, as Canadian Bank  
Collateral Agent and as a Sifto  
Salt Lender

By: *[Signature]*  
Title: \_\_\_\_\_

Senior Note  
Holders:

THE PRUDENTIAL INSURANCE COMPANY  
OF AMERICA

Address for all notices relating  
to payments:

c/o The Prudential Corporate  
Finance Group  
Four Gateway Center  
100 Mulberry Street  
Newark, New Jersey 07102-4007  
Attention: Manager, Investment  
Information Services  
Telecopy: \_\_\_\_\_  
Confirmation: \_\_\_\_\_

Address for all other  
communications and notices:

c/o The Prudential Corporate  
Finance Group  
Four Gateway Center  
100 Mulberry Street  
Newark, New Jersey 07102-4007  
Attention: Senior Managing  
Director  
Telecopy: \_\_\_\_\_  
Confirmation: \_\_\_\_\_

By: *Leslie A. Quinn*  
Title: *Vice President* *Quinn*

## PRUDENTIAL REINSURANCE COMPANY

Address for all notices relating  
to payments:

c/o The Prudential Corporate  
Finance Group  
Four Gateway Center  
100 Mulberry Street  
Newark, New Jersey 07102-4007  
Attention: Manager, Investment  
Information Service

Telecopy: \_\_\_\_\_  
Confirmation: \_\_\_\_\_

By: Deanna D. Murphy  
Title: ASSISTANT FINANCIAL  
VICE PRESIDENT

## FIRST PLAZA GROUP TRUST

Address for notices:

767 Fifth Avenue  
New York, New York 10153  
Attention: Mr. John Schnabel,  
Private Corporate  
Finance Group  
Telecopy: (212) 418-6339  
Confirmation: (212) 418-6376

and

c/o Mellon Bank, N.A.  
One Mellon Bank Center, Room 3115  
Pittsburgh, Pennsylvania 15258  
Attention: Mr. Michael Morrison

With respect to notices relating to  
payments, Mellon should be notified  
in writing the day before, Attn:  
Ms. Laurie Adams (FAX: 412-236-  
1133)

By: Stephen Myer  
Title: \_\_\_\_\_



Interest Protection  
Parties

CHASE MANHATTAN BANK, N.A.  
1 Chase Manhattan Plaza  
3rd Floor  
New York, New York 10081  
Attention: Ruth Dreessen  
Telecopy: \_\_\_\_\_  
Confirmation:

By: \_\_\_\_\_  
Title:



STATE OF NEW YORK     )  
                              :   SS.:  
COUNTY OF NEW YORK    )

Sworn to me this date July 2, 1990.

Andrew J. Miller  
Notary Public

